

GOVERNING BOARD MEETING MINUTES

The regular meeting of the Governing Board of Family Motor Coach Association was called to order by National President Rett Porter at 9:00 a.m. on Wednesday, August 24, 2022, in Lincoln, Nebraska. The National President and Secretary were both present.

National President Rett Porter called on Chaplain Jim Hollis for the Invocation. He then called for a moment of silence for the past national officers and members who passed away during the past year, and those struggling with health issues. National Senior Vice President Gary Milner led the Governing Board members in the Pledge of Allegiance to the Flag of the United States of America. Members of the Frustrated Maestros chapter led the Governing Board members in singing the Canadian national anthem and the United States national anthem.

The Executive Board was appointed to approve the minutes of the Governing Board meeting. Penny Gortemiller, Director of Chapters and Governance was designated Assistant to the Secretary for preparation of the minutes of the Governing Board meeting. The FMCA Review Council was designated to serve as Sergeant at Arms. The voting procedures for this meeting were reviewed.

President Porter announced that Review Council member Andy Balogh would serve as Head Teller for this meeting. In addition, the following members were appointed as tellers for vote counting: Dick Lowman, Bonnie Lowman, Rodger Donnelly, Dianna Donnelly, Elaine Zimmerman, and Al Zimmerman.

President Porter called on Andy Balogh for the FMCA Review Council Report on Credentials. Andy reported that the quorum required for a Governing Board meeting is 51% of the total voting members. Out of 299 possible Governing Board voting members, a total of 158 voting members were represented, which equates to 53%, and thus a quorum was established.

A motion was made, seconded, and carried to accept the established quorum.

Ken Lewis, Great Lakes Area Vice President, F428158, moved to adopt the Agenda. The motion was seconded and carried.

Nicholas Gilliam, F428529, with the Ramblin' Pushers chapter, moved to adopt the Standing Rules. The motion was seconded and carried.

President Porter appointed Sondra Walker to track the speakers and the number of times they speak, and he appointed Lois Savage to track the time.

President Porter introduced the head table as follows: Robert Rosell, Parliamentarian; Gary Milner, National Senior Vice President; Andy Balogh, FMCA Review Council; Kathie Balogh, National Secretary; Chris Smith, Chief Executive Officer; and Barbara Smith, National Treasurer.

President Porter recognized National Secretary Kathie Balogh and called on her for the reading of the minutes of the 2021 meeting, held in Gillette, Wyoming. She reminded the Governing Board that the reading of the minutes was waived with Standing Rule #4. He thanked Kathie for serving as National Secretary.

President Porter recognized Treasurer Barbara Smith to present the Treasurer's/Finance Committee report. Rett also reminded the Governing Board that the fiscal year 2023 proposed budget would be discussed under new business.

Treasurer Smith referred to the Treasurer's report on page four in the Governing Board booklet. Barbara noted that FMCA's investment advisors came to the May 2022 Executive Board meeting to discuss the investment portfolio. She called attention to the rate of return for the investments. She noted that there were 73,757 family memberships as of that day. There was \$8,855,721, in investments as of that day. The negative rate of return for investments is improving. There have been financial challenges. The funds are shrinking, and she described why. Barbara referred to the dues chart on page 13 in the booklet. She noted that the administration category is what it takes to keep the lights on. She referred to the salaries amount, and she noted the FMCAssist policy category, which is 15% of the total. Utilities, real estate taxes, and other categories are included on the chart.

Treasurer Smith reported FMCAssist costs over \$50,000 per month, but FMCA is the only organization that includes this program within the dues. Barbara noted that she reviewed the transactions on the bank statements when she first became treasurer. In October 2021, the Executive Board met in person in Cincinnati. One thing that was found during the October visit was that the roof was leaking on the Round Bottom building. The Board approved fixing the roof and replacing some of the air conditioning units. Those repairs have been completed.

A medical advisor was hired for consultation regarding COVID-19. This was an unbudgeted, but necessary, expense. Treasurer Smith noted that the off-budget spending is \$308,474. A large portion of that off-budget spending was for the roof replacement. A sum of \$500,000 was taken from the reserves to pay for expenses. Some of that was for the Tucson convention shortfall.

Treasurer Smith noted the Tech Connect+ program has been very successful. This program provides internet services to members. The original Sprint program changed, because of a merger with T-Mobile. With the program growing so rapidly, we were brushing up against the point of FMCA's non-related business income threshold. The decision was made to move this program to the for-profit subsidiary, Family Motor Coaching, Inc. In order to keep the program, FMCA had to raise the rates for the program. Treasurer Smith referred to the handouts that were distributed at registration (Attachments #1, and #2). Because of the delay in moving the program, it cost FMCA additional money. Treasurer Smith noted that rebates will be given to those members who have utilized the TechConnect+ program in order to get to the 35% threshold for non-profit companies.

Treasurer Smith noted that the policies and procedures are being followed regarding investments and the operating reserve and building reserve funds. She noted that when FMCA can afford it, the funds that recently were removed will be returned to the reserve fund. She said she has ended any unbudgeted funds for travel. Treasurer Smith noted that FMCA is in good financial condition. She asked the Governing Board members to let her know if they have any money-saving ideas for FMCA.

President Porter thanked Barbara Smith for serving as National Treasurer and Finance Committee Chairman and thanked the members of the Finance Committee: Dan Fogarty, Jim Giffin, John Jacobs, Maureen Pelletier, and Wilburn Young.

President Porter recognized CEO Chris Smith to present the Chief Executive Officer's report on page 15 in the Governing Board booklet.

Chief Executive Officer Chris Smith touched on the upcoming Perry, Georgia, convention in March 15-18, 2023, and said registration will open in September. He also discussed the changes in the Tech Connect+ program. The program was transitioned to AT&T's business plan. There was a change in service, because we could not stay on the government program. The device fee stayed the same. The fee members pay monthly did raise slightly. AT&T has a two-tiered program: a plan with a download speed of 12 MPBS and one for 25 MBPS, for only \$5 more a month. Both offer unlimited data, which may be network managed after 75 GB of usage in a month. The download speeds are slower than before, but it is a very good deal for members.

The other item CEO Smith referred to is the new affiliate program for member recruiting. This is an electronic means of promoting FMCA on social media. The program is personalized to each member. When recruiting in an RV social group, you can comment and then insert your affiliate link for FMCA. A recruiting member gets credit for everyone who joins through their link. To participate as an affiliate, the recruiter must have an active PayPal account. FMCA will make a \$10 cash payment via PayPal to each member who uses it, and the new member being recruited receives a discount of \$10 off their first-year dues.

There were no questions. The report was accepted for file.

President Porter issued a response to the Tech Connect+ program costs. FMCA initially joined a government program for non-profits. The program was successful. FMCA was not worried about the IRS 35% threshold for non-related business income for non-profits until revenue presentation was changed from net to gross. The revenue presentation change was not discovered until the audit report for fiscal year 2021 was presented by FMCA's audit firm in March 2022.

If we moved Tech Connect+ program to the for-profit company, the 35% did not apply, but the member's WiFi usage would be limited and their costs increased. FMCA does not offer this program to the public. Only FMCA members can use the program. Rett noted that the FMCA auditor brought this to the attention of the Executive Board at the Tucson meeting. Rett wondered whether FMCA should approach the IRS first. He was advised to fix the situation before FMCA approached the IRS. He received a second opinion from another tax attorney. It took time for that attorney to research. In May 2022, the attorney's recommendation was to change the program to the for-profit side, then approach the IRS for clarification on using the government non-profit program for FMCA. Rett mentioned that May 2 to May 23, FMCA was negotiating with T-Mobile for the FMC for-profit program, and they came to a point where T-Mobile was unwilling to negotiate. The decision was made to switch to AT&T the Executive Board approved the AT&T change on May 25. The program was moved to the for-profit side in June 2022, with a total of 4,200 lines having been moved. As of July 2022, the T-Mobile lines were terminated. After consulting with the tax attorney, it was decided that FMCA could provide a rebate to those members who used the program in order to get under the 35% threshold. This rebate will be provided to those members no later than September 2022. The program has been moved to the for-profit side. Rett asked if there were any questions and there were none.

President Porter recognized Don Schleuse, Constitution and Bylaws Committee member, to present the Constitution and Bylaws Committee report on page 17 in the Governing Board booklet. Don reviewed that the committee is presenting two proposed Bylaws Amendments and that it takes a 65% majority vote to approve Bylaw Amendments. He recommended that the body adopt proposal #1 – to change the title of the national "Area Vice President" to "Area President" as stated in the booklet.

Al Zimmerman, F407361, with the NW Trek Fun Club Chapter, moved to approve Proposal # 1 as stated in the booklet. Rodger Donnelly seconded the motion.

Under discussion, National Senior Vice President Gary Milner moved to refer Proposal #1 back to the Committee to review Article IX (paragraph 2) and other areas in the Bylaws where the current term is referenced for possible content and additional changes. The motion to refer was seconded by Dane Bailey.

National Senior Vice President Gary Milner stated that the reason he wants to send the proposal back to the committee is because it appears to be incomplete. The first reference is Article IX, and there is confusion regarding the remaining references.

President Porter reminded the Governing Board that they would be voting on sending Proposal #1 back to committee. The motion to refer carried with 2 opposed.

Don Schleuse referred to page 20 and moved to accept Bylaws Proposal # 2. Duane Lindsay, F088969D, seconded the motion.

A clarification was requested as to whether the proposal is to totally eliminate or to provide an option to have an Alternate National Director. President Porter explained that currently chapters must have a minimum of four officers. The chapter president can also serve as national director. The secretary can serve as the treasurer. A chapter must have a vice president. Currently, a chapter must have an alternate national director. The proposed change means a chapter would only need to have three people to serve in the officer positions. And small chapters have a problem filling those positions, so this will help.

Wilt Greenwood, F200764, with the Happy Tennessee Travelers chapter, stated he was speaking in support of the proposal but has a problem with the language. The first sentence says, "will elect," and then further down it says it's optional. He noted that the two sentences seem to be contradictory.

The parliamentarian was asked for clarification on Wilt's concern. The parliamentarian noted that the language in both paragraphs should be consistent.

National Senior Vice President Gary Milner moved to amend Proposal #2 to add the words "as an option," between "and" and "an" in the first sentence.

Ken Lewis, Great Lakes Area Vice President, mentioned that during the Executive Board meeting, they made a recommendation to strike the first sentence and replace it with the following: "A chapter will elect a president, one or more vice presidents, a secretary, a treasurer, and a national director for a one- or two-year term."

Members spoke in favor of the amendment, noting that the larger chapters want more representatives, but agreed that the smaller chapters could use the option. Another member stated that a person cannot hold more than two positions. If the alternate national director is an option, will that count as one of the two positions a person can hold? President Porter reported yes, it would still count.

Joanne Fadale, F59552, with the Beaver and Friends Security chapter, rose to a point of order noting that the Governing Board is in discussion of a motion that was not seconded. She seconded Gary Milner's motion to add the words "as an option."

It was noted that the Governing Board has not addressed the words “shall” and “will” being in the same paragraph in two places, as they mean different things. The parliamentarian stated he is aware of a controversy about using shall and will. The parliamentarian stated, however, that the Bylaws should have consistent wording.

One Governing Board member noted that he is bothered by the wording. He agreed with Gary’s amendment but is opposed to the optional wording. Rett noted that all officer positions must be elected. A question was raised regarding which offices could be combined. Rett explained that a person can hold two positions. The required officer positions must be filled by elections.

The Governing Board members noted additional confusion about which officer positions can be combined. It was clarified that a person can hold two offices; however, the National Bylaws state the following: “An FMCA member may hold no more than two chapter offices simultaneously. A member may hold an office in two chapters; however, he/she may not hold the offices of national director or alternate national director in more than one chapter.”

President Porter asked for any further discussion on the amendment to Proposal #2. There was none. He then clarified that the Governing Board is voting on the amendment to Proposal #2 as follows: ***National Senior Vice President Gary Milner moved to amend Proposal #2 to add the words “, as an option,” between “and” and “an” in the first sentence. The amendment carried.***

President Porter then clarified that the motion on the floor is on Proposal #2, as amended. He asked for discussion.

Ken Lewis, Great Lakes Area Vice President, moved to amend the proposal to adopt the Executive Board’s recommendation as listed in the Governing Board booklet, to replace the first sentence in Proposal #2 as follows: “A chapter will elect a president, one or more vice presidents, a secretary, a treasurer, and a national director for a one- or two- year term.”

Ken noted that this eliminates redundancy of having to elect or the option to elect an alternate national director.

The parliamentarian clarified that Ken’s motion would replace the original wording in proposal #2, including the previous amendment. Then substitute the amended proposal with a new proposal, including the existing language in Article XVII, but replace the first sentence with the Executive Board’s recommended sentence as shown on page 20 in the booklet. “A chapter will elect a president, one or more vice presidents, a secretary, a treasurer, and a national director for a one- or two- year term.” Ken agreed.

The amendment was seconded by Wilt Greenwood.

Rett asked for discussion on the amendment.

A question was raised regarding whether the proposal eliminates or makes optional the position of alternate national director. Ken clarified that the position of alternate national director would be eliminated initially, but later in the paragraph, it is an option to have that position.

It was suggested he rewrite the entire amendment to include the language wanted for the entire article.

Ken Lewis, Great Lakes Area Vice President, moved to amend the proposal in order to adopt the Executive Board's recommendation for the first sentence, and continue with the remaining proposal.

“A chapter will elect a president, one or more vice presidents, a secretary, a treasurer, and a national director for a one- or two-year term. An associate chapter will elect a president, one or more vice presidents, a secretary, and a treasurer for a one-year or two-year term. A chapter may elect in their bylaws to combine the positions of secretary and treasurer into a single position. A chapter has the option of whether to elect an alternate national director. However, a chapter other than associate, must maintain at least three (3) members holding the officer positions in that chapter. An FMCA member may hold no more than two chapter offices simultaneously. A member may hold an office in two chapters; however, he/she may not hold the offices of national director or alternate national director in more than one chapter.”

President Porter clarified that the discussion is on the replacement of the first sentence, and keeping the remaining proposed wording as is published in the booklet.

A Governing Board member urged voting against the motion since the wording is not clearly written. Another member asked that the entire motion be put on the screen for the Governing Board to read.

President Porter clarified that the Governing Board is voting only on replacing the first sentence. The amendment carried with three opposed.

President Porter called for discussion on the proposal, as amended.

Al Zimmerman, F407361, with the NW Trek Fun Club chapter, moved to amend the second sentence that reads “shall” to read “will” to conform with the first sentence. Ken Lewis, Great Lakes Area Vice President, seconded the motion.

The amendment carried unanimously.

President Porter clarified that the Governing Board is voting on the proposal as changed by the two amendments. The paragraph reads as follows:

“A chapter will elect a president, one or more vice presidents, a secretary, a treasurer, and a national director for a one- or two-year term. An associate chapter will elect a president, one or more vice presidents, a secretary, and a treasurer for a one-year or two-year term. A chapter may elect in their bylaws to combine the positions of secretary and treasurer into a single position. A chapter has the option of whether to elect an alternate national director. However, a chapter, other than associate, must maintain at least three (3) members holding the officer positions in that chapter. An FMCA member may hold no more than two chapter offices simultaneously. A member may hold an office in two chapters, however he/she may not hold the offices of national director or alternate national director in more than one chapter.”

The motion to approve Proposal #2 as amended carried with one opposed.

The Constitution and Bylaws Committee report was accepted for file.

President Porter thanked Don Schleuse for serving on the Constitution and Bylaws Committee and thanked Connie Pool for serving as chairman, and the other members: David Fuller, Ira Miller, and Sharon Wilson.

President Porter recognized Chairman Gary Milner to present the Convention Committee report on page 21 in the Governing Board booklet.

Convention Committee Chairman Gary Milner explained that the committee met in October 2021 and has been searching for additional activities to be conducted at the convention locations to make them different. He noted the following new activities: members participated in a silent auction, as well as a mile walk/ride, with all proceeds going to a charity in Tucson. The Chapter Fair conducted a table decorating contest. In Lincoln, another silent auction is underway. The committee also reviewed convention sites for 2024, making site visits recently. He stated he is working hard to find a location for summer of 2024.

President Porter thanked Gary Milner for serving as chairman and thanked the members of the Convention Committee: Rodger Donnelly, Jamie Erickson, John Jacobs, Paul Mitchell, and Patricia Voyna.

President Porter recognized Policy and Procedure Chairman Bob Weithofer to present the Policy and Procedure Committee report on page 22 in the Governing Board booklet.

Chairman Bob Weithofer reported that the committee met two times during the year. They made eight proposed amendments, all of which were at the Executive Board approval level. He noted that the Executive Board agreed with six of the proposals; modified one proposal; and rejected the last proposal. Bob asked for questions, and there were none.

The Policy and Procedure Committee report was accepted for file.

President Porter thanked Bob Weithofer for serving as Chairman and thanked the members of the Policy and Procedure Committee: Larry Morrison, Glenn Nulty, Herman Mullins, Rick Starzyk, and Jerry Work.

President Porter referred to the Commercial Council Report on page 25 in the Governing Board booklet and acknowledged the Commercial Council members listed in the convention program. Rett thanked Ed Thor for serving as Council President. There were no questions. The report was accepted for file.

President Porter recognized Education Committee chairperson Gaye Young to present a verbal Education Committee report. He acknowledged that the Education Committee is involved in the RV Basics program and RV Driving School programs that happen at FMCA's events.

Gaye Young noted that education and training is vital to FMCA members and the association. She has been the Education Committee chairman since 2014. She acknowledged and thanked her committee members. The Education Committee takes part in the FMCA University, RV Basics, RV Driving, and provides articles in *Family RVing* magazine. She reviewed the committee's efforts in FMCA's online courses through the FMCA University. She noted that Lincoln marks the 10th RV Basics class that has

been conducted at FMCA events. She noted that most of the students are first-time attendees. The class draws new members to FMCA. The Driving School in Lincoln is the sixth session for these classes.

Gaye noted that the instructors for RV Basics are new this year and include Gary Cipa, Steve Raye, Eric Britz, and Bert Henderson. Steve Raye also taught at past RV Basics classes and convention seminars.

The Education Committee report was accepted for file.

President Porter thanked Gaye Young for serving as Chairman and thanked the other members of the Education Committee: Gary Cipa, Steve Froese, Bert Henderson, Glenda Milner, and Herb Vogt.

President Porter called on Andy Balogh to present the FMCA Review Council report on page 26 of the Governing Board Booklet.

Andy Balogh reported that there was one complaint sent to the Review Council this year and it was resolved. The report was accepted for file.

President Porter thanked Jerry Work for serving as chairman and thanked the members of the FMCA Review Council: Andy Balogh, Lon Cross, Dennis Ducharme, and Dick Lowman.

President Porter called on Long Range Planning chairman Jerry Ayres for the Long-Range Planning Committee report.

Chairman Jerry Ayres mentioned the successful Chapter Fair and the Blue Ox Bash held in Lincoln the previous night. Jerry acknowledged the other members of the committee; Joanne Fadale, Vanessa Simmons, Fred Terranova, Al Zimmerman, and previous committee member Dennis Fox.

Jerry referred to pages 27-30 in the Governing Board booklet. He called attention to the recommendations in the booklet regarding the Mission Statement, Purpose, and Vision Statement as listed. He noted that each recommendation will be outlined in the presentation from Al Zimmerman.

Al Zimmerman noted that the report in the booklet refers to a process in order to get the goals accomplished. He outlined that they used the RVIA demographic study data. It covers RV usage habits, interests, and other demographic information. There are 11,200,000 RV-owning households in the U.S. When it comes to numbers, FMCA is not a significant player among RV owners. FMCA has only 0.69% of the RV owners. Among motorhome owners, FMCA represents only 3.3%. He noted that FMCA's membership is aging, with the average being 71 years old. FMCA must serve a younger generation of members. He reviewed how most RV owners use their RVs. He suggested that FMCA focus on those members who do not travel far from home, and those who use their RV less than 30 days per year. FMCA must emphasize towables (56% of total RVs.) He also noted that FMCA's leadership should reflect its target markets, while retaining the best of its current structure.

Al noted that the current market is made of members who travel long distances, and for a significant time. FMCA should focus on younger people who pursue an active lifestyle. FMCA's Primary Target Market for the future should be owners who are 55-65 using their RVs for an active lifestyle; are retired or recently retired and use their RVs for hobbies and sports.

Al reviewed the planning process. He noted three key questions – Where are we now? Where should we be going? And how should we get there?

He noted that the Mission and Vision statements are key to success. He read the current mission statement and the proposed mission statement. He read the proposed vision statement. He identified nine goals from the committee. The first goal is to create a new identity and brand that orients the organization to a different demographic. Goal two is to preserve and enhance the membership benefits oriented to the current membership while researching benefits that would appeal to the target market. Goal three is to consider and adopt new venues for gathering, educating, serving, and enabling RV owners to enhance the enjoyment of their RVs. Goal four is to expand FMCA rallies and conventions through greater involvement of vendors and an emphasis on a more entertaining and fun atmosphere. Goal five is to expand the role and number of chapters by expanding current chapters and establishing new chapters. Goal six is to strengthen the organization's marketing efforts based on ways and methods that will reach the target market while not neglecting the current membership. Goal seven is to enhance the organization's role as an advocate for RV owners in dealings with manufacturers and governmental bodies having oversight over RVs. Goal eight is to build a stronger network of vendors and campgrounds based upon a mutually beneficial relationship linking members to those providing needed services. And goal nine is that FMCA's leadership should reflect its target markets, while retaining the best of its current structure.

On behalf of the Long-Range Planning Committee, Al Zimmerman, F407361, moved that the report of the Long-Range Planning Committee with its recommended mission, purpose, vision, and planning goals be adopted. The motion was seconded by Rusty LaBarre, with the Coaches for Christ Eastern chapter, and discussion followed.

A comment was made that the goals were not measurable, or time directed. Al stated that there will be four or five strategies under each goal with measurable objectives, which is what he's looking for, and will be addressed later in the process. It was noted that this is a series of recommendations to take forward into the future. A point was made that there are some areas that are made up of younger members than the average age of FMCA members, and the question was asked whether the target age should be removed or lowered in order to include all members? Al stated that the purpose is to narrow the focus on the target market, younger and older members are, of course, welcomed.

The motion carried with nine opposed.

President Porter recognized Jamie Erickson to present the Membership/Member Services Committee Report on page 32 of the Governing Board booklet.

Jamie Erickson thanked Aaron White, Director of Membership, and CEO Chris Smith. Jamie recognized the committee members. He noted the benefits that the committee worked on throughout the year, including GFI Notify System; Soft Start RV; Medjet; Drive Quest; Battle Born Batteries; and Goodyear Tires. There were no questions. The report was accepted for file.

President Porter thanked Harry Hentschel for serving as chairman and thanked the members of the Membership/Member Services Committee: Dennis Ducharme, Chris Holtzman, Jamie Erickson, and Barry Zimmerman.

President Porter recognized Member Recruitment Committee Chairman Paul Mitchell to present the Member Recruitment Committee report. Paul referred to page 33 in the booklet and added that the committee is working on a proposed Bylaws Amendment for next year regarding an additional membership category in the pre-buy market. Paul mentioned the affiliate marketing program that is a digital recruitment program. The FMCA IT Department staff initiated the program so that we did not have to pay for an existing software program, making it zero-cost. There were no questions. The report was accepted for file.

President Porter thanked Paul Mitchell for serving as chairman of the Member Recruitment Committee and thanked the other members: Megan Butler, Lon Cross, Joe Gluckman, Bill Miller, and Tom Selvidge.

President Porter recognized Governmental and Legislative Affairs Committee Chairman Linda Burdette to present the Committee's report.

Chairman Linda Burdette referred to page 34 in the booklet and added that they have been busy all year. The report shows a list of items they've worked on. She recognized the committee members and added an update on the diesel exhaust fluid (DEF) system problems being experienced by many. A survey was sent to FMCA members. The sensor system seems to be where the issue is. She and FMCA officials had a meeting with RVIA representatives, who noted they would identify the correct people in the manufacturing industry to work on the issues. She noted that some repair facilities indicate that it is a government issue. Linda outlined the government standards. The manufacturers chose the DEF system to approach the problem. Linda noted that people were finding a way around the DEF system, which negates the purpose of having the system in the first place. The government went back to the manufacturers and asked them to put in a checks-and-balance system to ensure that the engines were meeting the requirements. They developed the sensor systems that are currently in place. These sensors will derate the engine if a problem occurs. People are not getting alerts in time and are getting stranded on the side of the road. That's why this is a manufacturer's issue, not a governmental issue. The manufacturers chose the system, and they chose the sensor system. FMCA will be meeting with them to push this issue more. FMCA is considering a webinar with manufacturers to get questions from members. The committee is still monitoring this issue.

Linda shared that the state of Tennessee enacted a law in July that made camping on public lands a felony. Many members have contacted the committee. They are looking at the law and read the wording specifically. The committee members have serious reservations as to whether the law applies to people in RVs. It was directed to homeless people and protesters setting up in public parks. They will be requesting an advisory opinion from the governor and attorney general in Tennessee. The requirement is that law enforcement must warn you first, before issuing a ticket. This could result in unintended consequences. The committee will keep the membership informed.

Linda also mentioned that the state of Indiana is refunding fuel taxes for RV owners. The committee is looking further into this item. There were no questions. The report was accepted for file.

President Porter thanked Linda Burdette for serving as Chairman and thanked the members of the Governmental and Legislative Affairs Committee: LB Butts, Mary Fallen Christensen, Terry Richard, John Traphagen, and Joe Wright.

President Porter referred to the Risk Management Committee Report on page 36 of the Governing Board booklet. There were no questions. The report was accepted for file.

President Porter thanked Farrell Long for serving as chairman and thanked the other members of the Risk Management Committee: Dennis Ducharme, Bob Golk, and Herman Mullins.

President Porter recognized and thanked the Technical Advisory Committee for all of the hours they have dedicated to reviewing technical articles printed in *Family RVing* magazine: Monte Beck, Bruce Chong, John Clarke, Steve Froese, Wilt Greenwood, Roger Marble, Ed Smith, Bill Trimmer, and Chip Wright.

President Porter referred to the President's report on page 39 in the Governing Board booklet. There were no questions.

The Governing Board meeting was recessed at 11:53 a.m. and was reconvened at 1:30 p.m.

President Porter called on Charlesanne Miskell for a Youth Activities Committee verbal report.

Charlesanne mentioned that they are finding free or low-cost activities at each convention for the children to do. Rett noted that during the Executive Board meeting on August 20, it was voted to change the committee's name to Youth and Family Activities Committee. Charlesanne recognized and thanked the members of the committee.

President Porter thanked Charlesanne for serving as Chairman and thanked the other members of the Youth and Family Activities Committee: Jim Hollis, Lori Prange, Carol Preimesberger, and Patricia Voyna.

The after-lunch quorum was announced. Out of 299 possible Governing Board voting members, a total of 157 voting members were represented, which equates to 53%, and thus a quorum was established.

A motion was made, seconded, and carried to accept the established quorum.

President Porter referred to the Action on page 37 in the Governing Board Booklet.

Royal Connell, F474064, Coach House Owners Club, moved to approve action item #1, regarding returning to Tucson, Arizona, for the winter of 2024 FMCA International Convention and RV Expo, pending successful negotiations. The motion was seconded and carried with three oppositions.

President Porter noted that the remaining items are informational items that were voted on by the Executive Board.

A question was raised regarding an informational item on page 38 in the booklet regarding COVID-19 and hiring of new employees who must show proof of vaccine. President Porter noted that consulting with the medical advisor and mask mandates, FMCA wondered how we can protect the employees. Rett noted that the feeling initially was all employees should be vaccinated. Since then, the feeling has somewhat changed. There was a concern about keeping the employees safe by keeping vaccinated and unvaccinated employees separated. It was noted the latest guidance from the CDC recommends

treating vaccinated and unvaccinated people the same. Rett stated that until the pandemic has been lifted, the mandate for new employees to be vaccinated will remain at this time but will be looked at later.

President Porter invited the Governing Board member to make a motion under new business.

Under unfinished business, a question was raised regarding Policy and Procedure #2031, Reimbursement of Travel Costs for Individuals Traveling on Official Business, which was returned to the Policy and Procedure Committee during last year's Governing Board meeting. Policy and Procedure Committee chairman Bob Weithofer noted that the committee did not have clear direction from the Governing Board last year. The committee reviewed the policy and procedure and felt there was no change necessary for this year.

Under new business, President Porter noted that the Membership Dues topic remains on the Governing Board Agenda each year, and the Finance Committee recommended no dues increase currently. National Treasurer Barbara Smith concurred.

Rodger Donnelly, F253331, with the Thousand Trails of Texas chapter, moved to continue the dues at the current rate. The motion was seconded by Pat Weithofer. The motion carried unanimously.

President Porter then called on National Treasurer Barbara Smith for the proposed 2023 fiscal year budget.

Treasurer Barbara Smith noted that the category on the dues chart on page 13 that was not identifiable is for Education. She also noted that the brown slice in the dues chart is liability insurance.

Treasurer Barbara Smith noted that the budget is a living document. She invited Governing Board members to question any item in the budget. The Finance Committee used realistic registration numbers for the convention registration income. Treasurer Smith noted that expenses are now frozen for the 2021-2022 fiscal year remaining. She noted only one meeting in Cincinnati is included in the budget. The nationally elected officers consult with each other and their schedules in order to save money on rally visits. She noted that the campground revenue is set aside for campground repairs, etc. Barbara Smith asked that Al Zimmerman with the Long-Range Planning Committee make a formal request for the funds for the Long-Range Planning activities for next year.

Al Zimmerman, Long-Range Planning Committee member, noted that Treasurer Smith originally asked for an estimated cost. He noted the changing of the governing documents will involve working with the attorney. Goal #1, a new identity, will require working with consultants, and a small charge to file documents with the state of Ohio. \$50,000 Membership recruitment efforts to look at prospective market and \$70,000 for outside market research. Strengthening the marketing efforts may require \$50,000 for marketing. A stronger advocacy role may involve an additional staff person -- no salary was included; however, any attorney fees could be up to \$20,000 for advocacy.

On behalf of the Long-Range Planning Committee, Al Zimmerman moved that an amount up to \$300,000 be added to the budget for Long-Range Planning Committee goal fulfillment costs. The motion was seconded by Rusty LaBarre, with the Coaches for Christ Eastern chapter.

A question was raised whether the entire amount would be spent in fiscal year 2023. Barbara referred Governing Board members to page 23, under marketing expenses. To cover those funds, it would take the entire marketing budget. If not spent in the 2023 budget, the full amount would not need to be in the 2023 budget. It is a capital expense that could go over several years. Al noted that the full strategic plan does not note when funds should be spent. He prepared an estimate for the full amount. Al did not anticipate all the funds being spent in one year. A suggestion was made to allow the Executive Board to allocate the funds necessary for the project.

The motion was withdrawn by the motion maker, Al Zimmerman.

Barbara asked for questions regarding the proposed budget. A question was raised regarding the non-budget items of \$230,000 for education \$407,450 for campground repairs. Barbara reported on the categories: conventions, area rallies, university, education consultant, and magazine content, which add up to the total of \$230,000. She noted that the previous committee did not list these items in the budget, and that is why they are listed as unbudgeted. Another question was raised regarding the amounts for membership benefits. CEO Chris Smith noted that during the last audit, the auditor recommended presenting these items separately.

Malcolm Smith, F329936, Northeastern Chapter, moved to adopt the fiscal year 2023 proposed budget, as presented. The motion was seconded by Ken Lewis, F428158.

A question was raised regarding the magazine printing. Treasurer Smith noted that the sales company that has been contracted for sales is starting to show improvement. This increase includes expenses for postage, ink, and printing, but the revenue went down. CEO Smith noted that the sales company is expected to increase revenue from 2022. It was noted that the commission is offset by one less employee in the salary line item. He reported that he thought the value is worth it.

Treasurer Smith noted that the campground repairs line item includes repairs that still need to be done, including repairs for the driveway, concrete, upgrading full-hookup electric, and unbudgeted expenses of 20%. She noted that FMCA cannot afford to make the repairs this year, but they are needed. Barbara noted the cost for expected repairs to the campground are \$112,998.

A Governing Board member noted that very little has been discussed about the TechConnect+ deficit and how much time went by to review the issue and why it took so long to act. President Porter said that he was hit cold turkey with the issue. A decision was made to get the account in line before we hit the IRS with the question. Attorneys were consulted, negotiations with T-Mobile took three weeks, and he thought they did it remarkably fast in 60 days. He noted that these funds will be repaid over time.

The magazine expense line item has an education credit, and Barbara was asked for an explanation. Barbara noted that \$175,000 is set aside for expenses for education-based content in the magazine. Chris noted that the auditor was consulted, and this expense is allowed. It is a net expense, because it lowers the tax liability when the taxes are filed.

A Governing Board member called the question on the budget. The motion was seconded. The motion to end discussion was carried.

The motion to adopt the fiscal year 2023 proposed budget carried with one opposition.

President Porter noted that the Executive Board voted that the FMCA campground pricing will change as of October 1, 2022. Instead of two free days. FMCA members using the campground will be charged \$15 per day for the first two days, and then the regular price will be charged. For the electric-only sites, the price will be \$10 per day for the first two days and then the regular pricing. It was noted that members are not cancelling their reservations and that leaves a site that could have been used by another member. Income will be used for campground repairs and maintenance.

President Porter thanked Barbara Smith for serving as Chairman and thanked the other members of the Finance Committee: Dan Fogarty, Jim Giffin, John Jacobs, Maureen Pelletier, Wil Young, and Ken Lewis.

A Governing Board member noted that FMCA should be scheduling the summer rallies earlier in the summer, between June 4 and August 4, if it wants to have kids and younger families. President Porter noted that the Convention Committee chairman, Gary Milner, as a former educator, agrees.

Roze Harper, F475161, with the Frustrated Maestros Midwest Notables chapter, moved that FMCA rescind the vaccine mandate for all employees, including new hires. The motion was seconded by Royale Connell, with the Coach House Owners Club chapter.

Roze noted that the CDC released new guidelines for COVID-19 that encourage treating vaccinated and unvaccinated employees the same. It was noted that several employees were not interested in getting vaccinated to work at FMCA. This motion will help with hiring employees. It was noted that the employee manual is under the direction of the CEO and Executive Board, and that the Governing Board is outside their purview. Rett asked that the motion be referred to the Board of Directors and they could address the issue during their next meeting.

The motion carried with 16 oppositions.

Paul Mitchell F165576, moved to reconsider the previously approved Long-Range Planning Committee proposal. The motion was seconded by Bob Weithofer. The reason for reconsidering is to add a secondary specific age range target market.

The motion carried with 14 oppositions.

Paul Mitchell, F165576, International Area Vice President, moved to amend the proposal to add to the first paragraph on page 28, "Our secondary market is new members and RV owners who are 35-55 and are working RVers who travel regularly." Al Zimmerman, F407261, NW Trek Fun Club seconded the motion.

A question was raised regarding changing the age range, and it was clarified that this is a secondary target market for the committee to consider.

Jerry Key, F397078, with the Georgia Funseekers chapter, recommended removing "and are working RVers who travel regularly." There was no objection to removing those words.

The motion carried unanimously.

President Porter noted that the motion on the floor is the Long-Range Planning Committee's proposal, as amended.

Al Zimmerman moved that the Long-Range Planning Committee's recommendation, as amended, be adopted. The motion was seconded and carried with one opposition.

Al clarified that the numbers referred to earlier were for potential expenditures. He noted the Long-Range Planning Committee puts together the plan. They do not implement; it is up to the Executive Board to choose from the plan what to execute.

Al Zimmerman moved, on behalf of the Long-Range Planning Committee, that the Governing Board approve up to \$120,000 to implement the planning goals identified by the Long-Range Planning Committee during the 2022-2023 fiscal year, as an item outside the budget. With a report to be made to the Executive Board quarterly, and the Governing Board annually, of such expenditures. Michael Kirk, F99032S, Sierra Ramblers chapter seconded the motion.

The motion carried with four opposed.


President Porter announced the results of the Area Vice President Elections held earlier this year as follows: Phyllis Britz, F423634, Eastern Area; Ken Lewis, F428158, Great Lakes Area; Paul Mitchell, F165576, International Area; Dennis Martin, F158411, Northwest Area; and Bob Golk, F316752, Western Area.

President Porter noted that the newly elected national officers would take office following the Annual Membership Meeting to be held on August 27, 2022.

There was no further business, and the meeting was adjourned at 3:08 p.m.



Kathie Balogh
National Secretary



Rett Porter
National President

August 21, 2022

EB members,

I have received and reviewed the finances of the Tech Connect+ program. I mentioned Saturday that we will need to take more money out of investments. Below is an explanation of what has occurred and what needs to be done to resolve the issue.

Since the inception of the Tech Connect+ program, it was reported net. This means that revenue collected minus associated expenses is what was reported on FMCA's financials. This change was done for the FY 2021 audit report. Because the Tech Connect+ program experienced an accelerated rise in popularity, the auditor decided to take a closer look at it. It was determined that FMCA was a principal in the Tech Connect+ offering to members. Previously, it was considered an agent. This change required FMCA to change its presentation from net to gross. The presentation change was made for the 2021 audit, which was finalized and distributed in February 2022.

The IRS requires that all non-profit organizations not have more than 35% of their revenue come from unrelated business income. If an organization violates this rule, and the IRS becomes aware of it, non-profit status can be revoked. This would require FMCA to pay federal tax on all revenue, not only in the future, but they could go back and audit previous year returns. This could result in massive fines, interest, and taxes due.

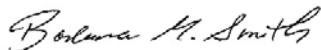
On March 19, 2022, Chris had a phone call with our auditor. As he was finalizing the 2023 budget, he had concerns that because of the change in presentation, FMCA was at risk of violating the 35% rule. The auditor told Chris that if FMCA did not move the program to FMC, the rule would very likely be violated. Chris notified Rett and Gary in Tucson. He then notified me in a separate discussion. I insisted we move the program to FMC immediately. Rett wanted to engage a tax attorney. I preferred to not incur fees and suggested we talk to Wil Young, a member of the finance committee, and a former IRS employee. Three opinions, plus the auditor, suggested we move the program to FMC. The first tax attorney agreed the lines needed to be moved. Rett still wanted another tax attorney opinion, including an opinion on his idea to rebate members to get FMCA compliant with the 35% rule. Several more weeks elapsed. I wrote an authorization to move the lines to FMC. The next day the tax attorney agreed moving the program to FMC, and that a rebate is viable to get FMCA compliant. If immediate action had been taken back in March, FMCA would not have had to make the \$500,000 rebate.

Operating Revenue		
	Membership revenue	3,705,757
	TechConnect	2,285,344
	Mail forwarding	0
	FMCA stores	144,935
	Miscellaneous (primarily campground)	49,619
		6,185,655
	Elimination - membership revenue	

	TechConnect expense, netted	0
	FMCA - Consolidating Statement of Activity (OPERATING)	6,185,655
	Dividends	
	Taxable dividend income	218,126
	Other dividend	0
		218,126
	Realized gains	
	RV Friend Network realized gain	0
	Fidelity realized gain/loss	63,667
	US Bank	0
		63,667
	Form 990 Line 12 - Total Revenue	6,467,448
	If restated to agree with FYE2021 presentation	
	TechConnect Gross Revenue % of total receipts	35.3%
	Dividends & Realized gain as % of total receipts	4.4%
	% Gross receipts from outside non-member sources	39.7%

May I attend your caucus on Monday to explain this to your area?

Respectfully submitted,



Barbara Smith
National Treasurer

Family Motor Coach Association
 TechConnect % of Gross Revenue Analysis
 FYE September 30, 2022

	<u>9/30/2022</u>
Operating Revenue	
Membership revenue	3,705,757
TechConnect	2,285,344
Mail forwarding	0
FMCA stores	144,935
Miscellaneous (primarily campground)	<u>49,619</u>
	6,185,655
Elimination - membership revenue	
TechConnect expense, netted	<u>0</u>
FMCA - Consolidating Statement of Activity (OPERATING)	6,185,655
<u>Dividends</u>	
Taxable dividend income	218,126
Other dividend	<u>0</u>
	218,126
<u>Realized gains</u>	
RV Friend Network realized gain	0
Fidelity realized gain/loss	63,667
US Bank	<u>0</u>
	63,667
Form 990 Line 12 - Total Revenue	6,467,448
If restated to agree with FYE2021 presentation	
TechConnect Gross Revenue % of total receipts	35.3%
Dividends & Realized gain as % of total receipts	<u>4.4%</u>
% Gross receipts from outside non-member sources	39.7%

2,567,137	Current Unrelated Total
2,069,583	Needs to be to get to 32%
497,554	Rebate Needed