

Park Ridge Sports, INC. | MINUTES

BOARD OF DIRECTORS MEETING

November 12, 2019 | 7pm-8:57pm | Maine Park Leisure Center

Attendees: Jim Toulon, Garry Abezetian, Kristin Zabratanski, Roy Hoffman, Katie Brania, Chris Asbrock, Joe Capesius, John Capesius, Jamie Purcell, Lou Karnezis

AGENDA TOPICS

Treasurer Report / Jim Toulon (reporting for Leach)

Balance on 11/12/19 was \$78,483, which is forecasted to decrease to ~\$65,000 for end of year tax purposes. From a revenue basis, and in F2018, \$207.6M in fees and \$55M in fundraising vs F2019 estimated \$183.9M in fees and \$8M in fundraising. From an expense basis, and in F2018 \$94.2M in general expenses and \$106M in program/event expenses vs F2019 estimated expenses at \$236M, resulting in a \$52.4M reduction in cash balances with a \$3M uncollected/scholarship variance.

Revenue x-sponsors dropped \$23.7M y-o-y and \$3.5M against F2019 budget of \$187.4M based on:

- Flag participants budgeted at 450 vs 590 actual @\$125
- Spirit Cheer participants budgeted at 170 vs 167 actual @\$115
- D2 participants budgeted at 146 vs 187 actual @\$250
- D1 participants budgeted at 63 vs 65 actual @\$350
- Competitive Cheer at 52 vs 57 actual @\$575

Price increases likely needed in F2020 (now with this F2019 loss and a year away from \$62,808 F2018 profit (and F2017 \$46,538 loss) given upcoming equipment needs, increase opex, and lower margins.

Significant drivers of revenue and expense in relation to final budget forecasted in 2019 included:

- Record registrations in F2019 didn't even cover more conservative F2018 expense run-rate
- F2018 Riddell invoices paid in F2019 due to invoices delay and miscommunications - mismatch
- Registrations in Flag increased – 50 from Flag Fest, but at less margins due to refs and swag
- Registrations in Tackle and Cheer steady, but no upside to cash flow either
- ~\$10M helmets ordered on a budget of \$11M, and have a 6 year useful life
- ~\$15M D2 uniforms and pants on a budget of \$1.5M but have a useful life of 4-5 years
- 450 Flag uniforms budgeted vs 650 uniforms ordered - including matching socks, so off ~\$6.5M
- League dues budgeted was \$3.5M, and likely off \$5M between UYFL and CSYFL
- Flag 3 person game referees reduced to 2 person at mid-year, but 21 games at a \$25 avg
- Flag Fest expenses exceeded event budget by almost \$5M due to light donations, swag, and NFL
- 2020 coach's hats purchased in 2019 (plus 2019 given out at ~200) at ~\$15 each amount to about ~\$6.7M in coach's hats still in stock

- Fundraising off by \$4M on a \$5M budget – looking at late Sept event to raise \$ going forward
- Marketing & Publicity \$5M budget exceeded due to all player's PR 2019 t-shirts (\$4 x 500), PRFB night sock hats (\$15 x 500), MSFB camera at \$500, \$2M in Director's jackets, and Taste of PR sponsorship (\$2.5M) plus \$x for FB ad buys for registration generation
- Concessions at D1 game provide \$2M unexpected lift or positive for us
- Administrative costs at Flag Fest and with KB were higher than expected due to less volunteers

Expenses can be greater controlled to revenue – like F2018, estimate F2020 profit at ~\$10M

Action Items from Treasurer Report

Finance Committee Meeting- hosted by Rob Leach

Topic: 2020 Strategic Budget Planning

When: Saturday, December 7th 7AM-9:30AM

Where: Starbucks, NW Hwy

DIRECTOR REPORTS:

Cheer Report | Kristin Zabratanski

- All 3 Teams made State
- Youth Team choosing not to attend; Katie invoiced 42 athletes \$135 IRCA fee due November 20th
- Kristin worked through many issues this season to make it huge success
- Winter Tumbling space at Maine Park has been secured 1/11/20-2/29/20; Kristin is waiting on approval of budget
- Spring Season will begin Mid-March-Mid-May; Katie will open registration end of January
- Kristin will ask that new cheer mats be added to 2020 budget; current mats are 15yo; suggested cheer could possibly fundraise to offset the cost

D2/UYFL Report | Roy Hoffman

- 3/4th, 5/6th went well. Lots of challenges with 7/8th due to inexperienced coaches vs travel coaches; 80% 7th graders; player size. Will need to come up with a strategy for that level
- No real conflicts with CSL
- Need to start identifying quality coaches in Jan/Feb

D1 Report | Joe Capesius

- Overall great season
- 8th grade team won Championship

Flag Report | Jim Toulon (reporting for Leach)

- We had a record registration year! Much better rules and organization this year due to committees and volunteer's off-season work.

- Uniform and the new cool socks were a huge hit.
- Refs weren't good with the rules – only a few at Soph level or above could argue effectively with some coaches. And a few coaches were caused issues who forget 1.) they're not playing, 2.) no football ref calls everything correct, 3.) don't purposefully run up scores or with same players (less than usual in this category), 4.) it's flag with unfair or uneven talented teams in several cases; and 5.) they're kids and just having fun with friends.
- Mel will continue to progress in responsibilities and oversight with Flag in 2020. Rob will stay in Flag at some level or role to assist. Mel did a great job with field set-up, breakdown, issues, and is a friendly face. We were lucky to have him and his approach to helping the whole football community.
- Continued growth is expected, and top issues will be 7&8th grade format, team/player selection, and player development on team's with 1st year or weak coaches. Costs will be reduced by returning jerseys.
- Flag Fest was an exposure and community success, and likely to be repeated but toned down and profitable in F2020. Mel is already recruiting more volunteers to help given 44 teams in F2019.

President's Report | Jim Toulon & JT reporting for Rob Leach

Tackle Football Committee

- Jim will be heading up a Tackle Committee with Jeff Kilburg and Roy Hoffman
- We are asking for many/most/all of you to participate at these two meetings- one in December, one in January (Dates TBD)-so we assess what are the likely scenarios with number of athletes at each tackle level for the next few seasons, where they should play, and how we will be able to coach them up
- The base starting point will be stay as we are for 2020 unless the discussion leads elsewhere. Options are limited and must be strategic for looking out over 3-5 seasons, not simply one season.
- Some questions to consider: Do we want to stay in UYFL? Do we want to try to influence them? Possible D2/Catholic Schools/CSYFL games? Mostly want to tweak current set up, not overthrow anything

Marketing Committee & Fundraising

- Need to decide what we will use the money for & what we will give in return for sponsorships
- Historically, board has voted against using logos on jerseys
- Volunteers on the Budget and Marketing Committees are really important as those two will tie together the goals of how and why we spend our funds from a strategic perspective over the next 3-5 years
- Facebook ads continued to drive marketing throughout F2019, with heavy emphasis on signs across the neighborhoods (largely due to Jim Toulon), new gray/red t-shirts for all players, higher quality sock hats for 600 kids at MSFB and beyond (cheer and football), new coach's hats/jackets, and increased branding at Taste of Park Ridge (back of tickets) and at our own Mini-Camp and Flag Fest in summer.
- Messaging – Rob wrote an email to the 2019 participants given a few unfortunate and sometimes embarrassing items that happened – including misinformation & spin unfortunately. As longtime coach and director – with a

fair amount of sweat equity here, I'd suggest (again) if you don't like my messages, then join a committee, text me pictures and content, or simply say 'thank you' since it's often needed when people make mistakes. For those Board members who want to discuss further, be prepared and specific at the next Board meetings as to what was disagreeable and how did it not help the disengaged or frustrated parent's in our football community. I'll listen...but I'm for the greater good, the lowest common denominator, and only care about kids and their future.

- Sponsorship – We will not and have not wasted the large donation from Tim and Horizon, simply it allowed us to leverage events, new equipment, and marketing that we couldn't have done without it. The future will show how much this capital helps us, and the past shows how much capital has been wasted in empty unused helmets. And don't forget the known and unknown competitive forces.

Action Items from Marketing & Sponsorship Report

Marketing & Sponsorships Committee Meeting- hosted by Rob Leach

Topic: Strategic Spending over the next 3-5 years & fundraising opportunities

When: Saturday, December 7th 9:30AM-10:30AM immediately following Finance Meeting

Where: Starbucks, NW Hwy

Board Membership | Jim Toulon

- Chris Asbrock has resigned to spend more time with family. He will come back and help as much as he can. Many thanks to Chris for his years of service!
- Jim Toulon nominated Mel Thillens to replace Chris on Board- VOTE: Passed unanimously
- Jim Toulon nominated Garry Abezetian to be voted in as our first ever lifetime service award. VOTE: Passed unanimously. He will serve as Chairman Emeritus and now head the Executive Committee. We will send updated By-Laws with this change over the next few months for Board to review.
- Jim Toulon recommended that Roy Hoffman move into Vice President role for the next 2 years (2020,2021 Seasons). VOTE: Passed unanimously
- Jim Toulon recommended that Kristin Zabratanski stays on as Secretary for the next 2 years (2020,2021 Seasons). VOTE: Passed unanimously
- It has been (and will continue to be) the Policy of this administration that the Executive Committee bring any "major" decisions" including expenses of over \$5,000 to the Full Board either as a line item or as shown in the total budget which we now (Since January 2017) utilize the full board to approve

New Business | Jim Toulon

- A BIG THANK YOU to ALL that made this season such a huge success!
- We are counting on many/all board members/directors to attend upcoming committee meetings

- Finish equipment returns in the next week- D1 & remaining D2 (18 kids)
- We should highlight this season's successes in press release/newsletter:
+50yrs,+1000 athletes, D1 Championship, all 3 Competitive Teams headed to State
- Kristin Zabratanski recommended [REDACTED]; added to Budget Committee agenda
- Next Meeting: Thursday, December 12th 7-8pm @ South Park followed by Iron Horse