

Open Board Meeting Minutes –Dec 23, 2017

Meeting Venue:

Innovative Karting, 5175 W. Phelps Rd. #2, Glendale, AZ.

Board Members

Paul Hendricks – Present
Bernie Lacotta - Present
Scott Cebulski – Absent
Richie Underwood – Present
Bill Scheets – Present
Jeff Smale - Absent
Casey Rogalski – Present

Special Meeting to Review the Tire Contract Proposals

Background

- Five board members were present at this meeting, as well as three other members. Chris England was present and had previously met with Tom representing Evinco, and felt he could provide clarification if required.
- Based on our initial analysis and tire testing, we sent requests for proposal on Nov 29 to Bridgestone, Evinco, and Hoosier, with a response deadline of Dec 20,
- Of these, we received bids from Bridgestone, and Evinco. We also received an unsolicited bid from LaCont. After the Dec 20 deadline, Hoosier asked if they could still submit a bid, and was told no, but we'd consider them next year

Offers

- LaCont offered 24 sets of tires.
- Bridgestone offered 20 sets of tires (10 summer, 10 winter), plus 20 for the upcoming awards banquet, plus \$1,000, 10 kart stands, 10 barbeque grills. They valued this at \$13,266
- Evinco offered 20 sets for the racing seasons, plus 14 sets for the upcoming and subsequent awards banquets (14 +14), as well as implying a SKUSA race would be awarded. After a follow-up email, they confirmed at least one SKUSA race would be held at PKRA. This might be the spring national in March. We might reasonably expect at least \$10,000 from a SKUSA race through a combination of track rental and practice fees.

Discussion

- There was discussion regarding the particulars of a SKUSA race.

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Though not explicitly stated, it seemed clear we would not get this race if we went with another tire brand. In past such races, we've seen significant practice revenue (e.g. \$7,000 prior to the last COTA race which isn't as large as SKUSA). There was a discussion of potentially having a pre-race the weekend before, as well as potential revenue through collecting a percentage of food or other items sold at the race. There is potential for increased track visibility with a national broadcast, though this may not have any affect on raising membership (it hasn't in the past). There was a problem regarding the previous SKUSA race with excessive clean-up afterwards, and there is work for the club prior and after.

- There was also discussion about a potential IAME motor program in conjunction with the Evinco deal, with discounts given through the club, though there was nothing specific as part of the proposal.
- Evinco is used extensively on the West Coast, and there may be some advantage to being consistent with them. IKF is also aligned with Evinco, and we'll therefore be running Evinco at the 2019 IKF Grand National. It's not clear; however, that there is any true benefit to being consistent with them.
- Bridgestone had more giveaway items, but Evinco has more potential for revenue from the race.
- The point was made that after the decision, we will need to get everything down in black and white in a contract. The contract will be through March 2019, since our Special Use Permit with the county expires then. We will likely choose to put a renewal provision in the contract

Decision

- Evinco was unanimously voted to be the winner of this contract, and we will proceed with contract negotiations.