

BMW Club of Canada

2006 National Directors Conference Call

Monday October 2, 2006

9pm to 11pm Eastern Time

Bill Brown will provide call in details.

Agenda

- | | |
|------------------------------------|--------------------------------------|
| 1. President's Report | 2. Secretary/Treasurer's Report |
| 3. Chapter reports | 4. Chapter replacement for President |
| 5. Driving School Materials | 6. Insurance --ASN vs. Jones Brown |
| 7. Incident reporting | 8. GST Requirements |
| 9. BMW Group Canada support | 10. EstFest/WestFest updates |
| 11. Window decals and dash plaques | 12. Dealer and chapter posters |
| 13. International Council Meeting | 14. IC Meeting 2008 in Vancouver |
| 15. CA IC rep | 16. Adjournment |

Participants [initials and chapter, chapter Initials]

Phil Abrami [PA Quebec QC]

Bill Brown [BB Regina SK]

Roger Harmston [RH Vancouver Island VI]

Kip Keylock [KK Southern Alberta SA]

Don Dobson [DD Ottawa MC OTMC]

Chris Pawlowicz [CP Ottawa CC OTCC]

Ed Snooke [ES Trillium TR]

Dave Welsh [DW Northern Alberta NA]

Jeremy Choy [JC Manitoba MB]

Rolf Drommer RD [BC Mainland BC]

Regrets

Bluenose Chapter rep [BN]

IC = International Council

Meeting called to order started promptly by Phil Abrami at 2min past the hour as all were on the line. Thanks to Bill Brown for arranging the conference call. Welcome first time conference callers Ed, Don and Jeremy and welcome to the new clubs represented by Don and Jeremy. Unfortunately both rep alternates for Bluenose were not able to be on the call.

1. President's Report

PA began by recapping that he has been busy keeping in contact with Kevin Marcotte of BMW Group re club support and issues. He was able to meet with him after a recent event he participated in with Trillium at Mosport. Have approval for BMW Group to link to the BMW Club of Canada national web site from the BMW Group Canada site. There will also be a page in new owners manuals with club info. PA is also busy with IC matters and will be traveling to ZA for the meeting later this month.

2. Secretary/Treasurer's Report

RD referred to the notes and budget recaps he had earlier distributed to participants. After carrying a surplus for several years, we are now working without one. The big impact was the 2005 directors meeting and a new computer both prior to the Nov cut offs. Our funding from BMW is supposed to be quarterly, but the receipt of some of the support funds slipped, making it a challenge to manage funds as certain payments for the 2005 conference and insurance still needed to be met.

3. Chapter reports

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BC- doing well at 453 members, 26 active events of 32 originally planned. Club is healthy.

VI- Solid base, good turn out at events with at least one activity monthly. Will be looking for new president at next AGM as Steve will probably be leaving.

SA – held a successful fully subscribed women’s only driving school. Membership solid at 208. KK has moved to Island, so chapter will be looking for new president and chapter rep at the upcoming AGM

NA – Happy with a solid member base. Strong focus on schools as well as events. Partner with AS on the AB schools initiative. Plans for Winter School are strong, but will depend on actually getting good winter.

SK – BB reporting from of all places Virginia indicates club is doing well with 37 paid members and is working on expansion. Participated in 3 car show events that helped exposure, plus participated with Corvette club at local track DE events which seems to work well. AGM coming up soon, and Bill needs to decide on if he’ll stay in Virginia or not, so there may be change.

MB – Jeremy reported they have 17 paid members and are working on ways to promote the club and grow membership, including handing out business cards and posters. Challenges include possible age related image concerns, as much of the club currently is young. Looking for ways to promote club including a possible DE school event for next year.

TR – Ed reports it has been a good year after a transition from previous to new officers. Club is growing again, and finances are again strong, and most things are going well. They look forward to positive things next year.

OT-CC – CP indicated the chapter is doing well an current membership has grown to 120. The new Calabogie track facility hold much promise, and they are hosting an event there this Oct and it is giving them good exposure. Budget is solid thanks to past school events and joint working with QC on some school events.

OT_MC – Don notes they are on their first indoor event of the season, as normally their club does lots of ride events. About 2/3 of their membership went to a recent MOA event. They are currently at about 70 members, have been active as a club for over 7 years, and enjoy good participation of the membership. Don also on OT MC Safety Council, and they are working on planning DE events for riders, including a possible event at Calabogie for riders. Also active in working as rider rep to BMW Group and the MOA and RA folks, looking forward to being at the IC meeting.

QC – PA reports is has been a very very active year with full monthly meetings, participation in recent QC – OT joint show and shine tour, and also participation in Est Fest, joint event with Boston and CR and also their own events at Sanair and Mecaglise. Between 2-300 members.

BN – regret no report from Bluenose as no rep could join in on the call. Laura has resigned her position and George or others were not available.

4. Chapter replacement for President

PA again raised the issue that as President he needs to stay neutral, and as such can only vote in case of a tie. This is similar to at IC where the president must also be neutral. As a result, there are times when the chapter he represents may need voting rights at the directors meeting. After discussion it was moved and seconded and passed unanimously that the chapter whose rep is also national president can designate a rep to the directors calls and meetings so the chapter has a voting voice.

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For reference it was noted that chapter reps to national are to be assigned or reaffirmed by the chapter to national on a two year rotating basis per the bylaws.

5. Driving School Materials

At the 2005 meeting we had initiated a review of driver training materials with the goal of updating and if needed cleaning up documentation so it could be used nationally to maintain and preserve the goals of the BMW Club of Canada driver training programs. The original manual was converted to electronic format and bot a PDF and word doc version of the converted to text scans is available on the national site via the driver training info pages that start at this link: <http://www.bmwclub.ca/DT/> and <http://www.bmwclub.ca/DT/manual.html>

In addition to some update and revision work done by the Southern Alberta BMW Club it was decided it would be good to update and revisit this project and create a common basis manual for all school operations. After discussion directors agreed and approved that Rob Forman of Trillium who worked on the original manual and John Herbst of Calgary and Cheirf Gress of Quebec work on revisions to achieve a workable base master manual.

6. Insurance --ASN vs. Jones Brown

After discussion some of the concerns and needs for insurance, it was determined we still need to clarify and work on aspects of insurance for the clubs. Since the restructuring of the BMW Club of Canada into an umbrella club in 2002, the national club has been working with Jones Brown, and since 2004 has been purchasing directors and officers and liability insurance that covers both the national directors and the directors in each of the member clubs. National has also been buying and providing a Motorsport and event policy that covers the activities of the clubs. Clubs are entitled to and need to purchase by event insurance for driving schools under the group Motorsport policy from Jones Brown.

Since 2005 some chapters have also been looking into insurance alternatives such as purchasing from ASN-FIA Canada. Since proper insurance coverage is important, it was decided that the ongoing questions of which coverage is best and how the insurance can be bought and used should be reviewed. To that end after some additional discussion of insurance directors approved a working committee consisting of Ed Snook, a Quebec member [probably Cherif] and Rolf Drommer gather info, clarify issues and report back by the end of 2006. This is timely since we have two clubs to add to the D&O policy and the renewal of that policy falls at about year end with payment due in January 2006.

[for those needing info and clarification of what the two insurance policies paid for by national on behalf of the clubs cover, please contact Rolf Drommer for the recaps we have on file from Jones Brown. The tow policies paid for by national to cover the insurance needs of the clubs amounts to about \$10k of the national budget.]

7. Incident reporting

Along with the insurance coverage assessment it was decided that a review of recommended or needed incident reporting would be a wise thing to do. Other insurers such as ASN have an incident reporting requirement, and Jones Brown has in the past indicated that better definition of risks and tracking of incidents and historical records can be helpful in requests for better rates. [ASN uses this approach by carefully defining

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their risk exposure and the various events they provide coverage for.] The same team that looks at the insurance issue will look at incident reporting.

8. GST Requirements

All clubs need to be aware that they may need to look at needing to collect and remit GST. The current CRA regulations point to ongoing club cash flows of over \$50k may mean the club needs to apply GST to what they do. This kind of \$ amount is easily achieved in some clubs where the driving school fees charged can easily amount to that kind of number. National probably does not need to review GST at this time, however, depending on interpretations it would be wise to check on this.

The chapters with larger school base revenues plus their own chapter dues will need to look into GST reporting collection and payment. It also becomes an issue as it was with multi chapter events such as Est Fest as the \$ amounts can easily get to the GST required range. Chapters are advised to check the [cra—arc.gc.ca](http://cra-arc.gc.ca) site for info on GST/HST as well as specific provincial requirements and exceptions [Quebec]

9. BMW Group Canada support

The club appreciates the support of BMW Group Canada, and has over the last couple of years been working with BMW Group to better integrate club activities with BMW Group as per the guidelines for clubs set out by the International Council. As our club group has grown and expanded since 2004 it was felt timely to ask for increased support so the club can do even more. PA prepared a draft request for increased funding, and directors approved that we should submit the request for increasing the funding support, the initial request will be for \$45k annually based on the recap provided by Phil of anticipated use of the funds in support of the clubs and activities.

10. EstFest/WestFest updates

Directors briefly discussed the first joint club event 'Est Fest' and although there were some challenges, it was agreed this kind of event that involves several member clubs was a good idea. Another Est Fest event will be planned for the future, and a western region event will also be explored. The BC mainland club is ready to work with other western clubs to lead such an event either in 2007 or in 2008 to coincide with the expected International Council Meeting planned for Vancouver.

11. Window decals and dash plaques [grill badges]

National had purchased and distributed some 3000 self cling window decals to the chapters in 2004-2005. That supply for some reason been used up by the chapters, and there were plans to order and distribute more, however, finances are currently not comfortable enough to do this. If chapters wish to purchase more of these window decals, arrangements can be made for chapter specific orders via Allegra Print and Imaging in Vancouver who made up the initial order. Cost is about \$650 CDN taxes in FOB Vancouver for a roll of 500 decals.

Also along with the decals, a project to create and obtain high quality national grill badges was started in late 2004. This was modeled on the product bought by the BC Mainland club from a company in Germany that has been making high quality product since 1790. National paid the die costs to get this project started, and 5 initial samples were sent to us and distributed to the clubs for review and to stimulate orders in 2005. At the 2005 meeting in Toronto it was noted again that clubs could purchase these high quality grill badges, but the minimum order would be 100 pieces, and the expected cost

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landed in Canada would be at least \$45 each. Several chapters made deposits, but the total did not get to the point it was worth the risk of ordering all 100 pieces without significant subsidy from national. Since then the cost of the 2005 meeting and the late receipt of BMW Group support funds caused us to rely on our surplus funds, and we are not in a current position to proceed with grill badges. It was decided that unless others are willing to step forward with deposits to reactive this project, the deposits received so far should be returned, and the project be revisited at another time.

12. Dealer and chapter posters

After preparing a national membership flyer and sending 5000 copies to BMW Group for them to distribute, the next option was to prepare and distribute promotional posters. The cost estimates on this poster in the size and quantity BMW Group was requesting came to about \$30-32 ea plus taxes and packaging and shipping costs estimated at another \$6-8 per poster to send them to Whitby in a form so they could be redistributed. At an estimated cost of nearly \$40 per poster or roughly \$2k for the total there was not sufficient funds in the budget to proceed until BMW funding arrived, or chapters decided to support this venture with some money from the chapters.

Current budgeted uses of the fund expected from BMW by end of October do not leave us with comfortable room to do the posters without chapter support.

It should be noted the lower cost poster options are available to the chapters if they wish to purchase them. The proposed poster option for BMW distribution was to be full colour 24 x 36 mounted on either foam core or wood.

A 12 x 18 poster printed in full colour on high quality paper and not mounted can be obtained for about \$2.50 each for the chapters is desired.

13. International Council Meeting

Phil Abrami and Don Dobson will be going to the IC meeting in South Africa as the BMW Club representatives and observer respectively. As per previous discussions it was decided that the national club could offer up to \$1500 travel funds reimbursement support to the observer [Don in this case].

14. IC Meeting 2008 in Vancouver

Initial planning for the IC meeting in Vancouver is well underway, with initial info and options being gathered by Jim Westmacott. Much of this info has already been shared with the folks at IC and BMW Group [Thomas Tischler of IC and Kevin Marcotte of BMW Group Canada] and things are looking positive.

15. Phil asked by IC to server another 3 year term on council

Further to the upcoming IC meeting, Phil's term as VP of Automobiles with IC will also come up for renewal at this meeting, and as per previous info distributed, Phil sought and unanimously gained the support of the board of directors of the BMW Club of Canada to let his nomination for another term stand.

16. Adjournment

Call ended at approx 11:15pm EDT. The next call date will be determined after we make some progress on action items.

Reference notes and info follow.

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Appendices and reference items.

BMW Club of Canada Budget Recaps

		2004/5 Nov 04 to Nov 05	2005/6 Nov to date	
Income				
BMW Group Support		\$20,000.00	\$10,000.00	
Deposits [Liability]			\$1,925.00	
Expenses				
Admin				
Computer	[new unit in 2005]	\$3,483.56	\$858.21	
Federal		\$60.00	\$30.00	
Office		\$305.70	\$235.20	
Postage Frt		\$215.53	\$145.10	
Supplies paper ink etc		\$514.54	\$248.22	
Banking Costs		\$103.40	\$84.48	
	Admin totals		\$4,682.73	\$1,601.21
Marketing				
badges	[dies duties frt]	\$930.02	\$170.48	
brochures			\$1,122.86	
media ads	[GRM ads]		\$535.00	
	Marketing totals		\$930.02	\$1,828.34
Insurance				
D&O Insurance		\$3,764.00	\$3,764.00	
Motorsport Insurance		\$5,811.75	\$5,986.10	
	Insurance totals		\$9,575.75	\$9,750.10
Meetings				
2005 Meeting		\$5,903.97		
2005 Meeting Travel		\$4,657.83		
Other Travel	[CP IC - PA Calg]	\$597.59	\$640.84	
	Metings totals		\$11,159.39	\$640.84
Driver Training				
manual		\$200.00		
training		\$165.00		
	DS totals		\$365.00	
Misc				
Awards			\$153.85	
Services	[Karelo set up]	\$240.00	\$149.80	
Supplies		\$104.65	\$65.00	
Taxes		\$250.98	\$195.00	
	Misc totals		\$595.63	\$563.65
Communications				
conference calls & phone		\$2,464.35	\$1,371.67	
	Communications totals		\$2,464.35	\$1,371.67
Web Hosting				
hosting & domians		\$5,268.21	\$2,462.94	
maintenace		\$1,200.00	\$600.00	

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web access other	\$450.00	\$250.00
Web totals	\$6,918.21	\$3,312.94
Total Expenses	\$36,691.08	\$19,068.75
Income minus expenses	-\$16,691.08	-\$9,068.75

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Secretaries Notes and info recaps on selected Agenda Topics as distributed before the meeting.

PRELIMINARY AGENDA (dark listed items have notes info below)

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Items covered in this set of notes:

2. Secretary/Treasurer's Report

Budget PDF has been distributed. Things to note on the Budget sheet: I put two years side by side to help cover the gap for new clubs and directors. We used to have a surplus, but have used it over the last years as we did several things, including the 2005 National Directors meeting which cost a fair chunk.

Insurance is our biggest cost, but has value for each chapter.

3. Chapter reports

BMW Car Club of BC, we currently have 453 members who are eligible to vote at AGM. Planned to host 32 events, of which 26 events became active for 2006 [Jan to Dec] including 8 Driving School events.

Event participation so far has been good for the events that went ahead, with some 424 cars and over 500 people at the various events so far. Pre registrations for the remaining events are coming in and things look promising. We currently have 12 directors to share the workload. Our next AGM is this Nov and there will likely be no change in directors.

6. Insurance --ASN vs. Jones Brown

There has been a lot of confusion about the various insurance options. Hopefully all know that Jones Brown is the Broker for the insurance you get via them or via ASN. The confusion and issues arising with the ASN insurance is as follows: Both the BMW Club of Canada and ASN get essentially the same rates, and the insurance cost is at pretty much the same rate structure.

The reason there is a difference on the rate sheets that ASN publishes is they distribute their insurance to the member clubs and make it available on what can best be described as a subsidized and incentive base method.

This makes it difficult to compare rates via the rate sheets, as some rates are incentive driven to promote new areas of participation. As well, it needs to be noted, their event rates follow strict codes [or are supposed to] of what is and is not allowed at an event. National buys two insurance policies on behalf of the club. The Directors and Officers policy covers both the national directors and the local clubs. The value to a chapter is about \$418 per club. We do not prorate this based on chapter size.

The Motorsport policy covers as it indicates events such as driving schools etc., but also covers most to the day drive and other type events. The value per chapter is about \$650. Again this is not prorated by chapter size. Unlike with ASN, we do not set up our

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rates for those two policies to be recovered by the member clubs, as we use our national funding from BMW Group to pay insurance on behalf of the chapters. Chapters are responsible for paying the additional insurance that is normally required for driving schools, driver training and joint club race / driver training weekend events. For such events the Jones Brown BMW Club rate of \$400 the first day, and \$125 each additional day applies and is payable by the chapter running the event. This is a good rate, and reflects the club record and standards, and covers events at a variety of facilities instead of the specific by event type and facility type rates ASN has posted. For comparison, for chapters running a driver-training event on a circuit with cars would be subject to a rate at ASN of \$1,150 day or \$1,725 for a 3 day event. It is very important to not confuse event types as listed on the ASN rate sheets. One example would be a SOLO event, as their rules and definitions of SOLO events are very different from a driver training event. Also, they are trying to encourage SOLO events, and are subsidizing the rates on those and several other events. The issue gets more confusing as ASN does not follow their own rules on the sale of insurance to non member groups.

The above info and clarifications was provide to me in a face to face meeting with Kevin Besta of Jones Brown on July 26th.

The two new chapters, Ottawa MC and Winnipeg will be added to the D&O policy at its renewal time later this fall.

7. Incident reporting

It is my personal opinion that a standardized incident reporting system should be implemented and would be beneficial to national and the member clubs when it comes time to plan and work on insurance. As we know, insurance is as much about risk management covering for errors, and having reference info on incidents to build policies and review safety measures on only makes sense. Jones Brown has on several occasions informed me that structuring programs to avoid risk and ensure safety can help reduce rates. I feel that incident reporting would help in that area as we review and share program info to better structure our risks and exposure.

8. GST Requirements

Info I was able to find on the cra-arc.gc.ca site about GST for not for profit entities includes the following:

"If you are a public service body (charity, non-profit organization, municipality, university, public college, school authority, or hospital authority), the total taxable revenues from all the activities of the organization are \$50,000 or less in the last four consecutive calendar quarters and in any single calendar quarter. A gross revenue threshold also applies to charities and public institutions. For more information, see our guide RC4082, GST/HST Information for Charities."

This would seem to indicate that many of the chapters may not need to collect GST, and that national probably does not need to.

However, it would be best to get proper clarification from Canada Revenue or Revenue Québec for those who have concerns.

9. BMW Group Canada support

10. EstFest/WestFest updates

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11. Window decals and dash plaques

Window Decals: There appears to be a need for more window decals. We were going to produce more but there are two issues, one is cost, and the second is use and distribution. We originally got 3000 made up and distributed them at a time when the membership count was about 1500. Now we are at somewhere between 1720 and 2000 members, and some clubs are asking for more decals. Most chapters [expect the newest ones] should have had enough to pass out to new members as they sign up.

Window Decals

Chapter	sent	members
TR	500	396
BN	240	136
QC	300	200
NA	180	87
SA	300	180
BC	500	450
VI	180	56
OT	240	95
SK	100	29
OT MC	0	80
MB	0	14
SA 2nd time	200	
	2740	1723

In my club, we have just ordered a new supply of 500 for our club only at a cost of \$650 after taxes.

Grill Badges: we have not been able to get this fully off the ground. National covered the die and start up costs of about \$1100.50 to get the first 5 samples to show.

We got deposits from several chapters, but have not reached critical mass to place the minimum order of 100 pieces, which will cost about \$32 each on top of what has been spent to date. [expected landed cost in Canada about \$45 each]

12. Dealer and chapter posters

Two pricing options obtained for posters:

Large 24 x 36 \$16 ea plus taxes. Mounted on foam \$30.50 ea plus taxes, on wood, \$38 ea plus taxes, plus shipping etc.

Smaller 13 x 19 poster only \$2.00 ea plus both taxes. Mounted same poster will cost \$21.20 plus taxes, plus shipping etc.

Has anyone seen any of the 5000 brochures at dealers of BMW events. I have not gotten anything in the mail from anyone responding to one.

13. International Council Meeting

14. IC Meeting 2008 in Vancouver

Jim Westmacott has taken the lead in working on this, and has been gathering hotel and other info for the meeting and has been sharing it with Phil to take to IC. The local club and its directors have actively been working with our local dealers, and we feel that with BMW Group support, local dealer support and the western chapters support we can create a great event.