

**MINUTES OF
THE MEETING OF
THE BOARD OF DIRECTORS OF
THE INDIANA SOCCER ASSOCIATION JULY 20, 2013**

Pursuant to duly delivered notices, a meeting of the Board of directors of the Indiana Soccer Association (“ISA,”) was held on July 20, 2013, at the offices of the Indiana Soccer Association in Indianapolis. Present at the meeting in person were directors Alan Brown, Murray Clark, Jim King, Larry Rowland, and A. L. Smith, and present by phone was Tony Zirille, constituting a majority of the members of the Board. Also in attendance were David Guthrie, executive director of Indiana Soccer and ex-officio member of the Board, Ted Sommer, finance committee member attending to deliver the report of Treasurer Joe Fistrovich. Noting the presence of a quorum, Mr. Clark, as chair, called the meeting to order at 9:05 a.m. Each director present for the meeting was provided with a copy of materials to be discussed at the meeting, most of which had been previously distributed by Executive Director Guthrie.

The Chair asked the board to review the minutes of the March 30, 2013, meeting of the board of directors. After review, upon motion by Mr. Rowland and second by Mr. King, the minutes were unanimously adopted as presented.

President Clark called upon Mr. Sommer to deliver the Treasurer’s Report and comparison of the June budget to actual performance. Mr. Sommer reported that revenues have increased with expenses being held in check. Cash on hand has increased through June. Mr. Sommer described the budget as reasonable and conservative and urged its approval. Mr. King asked Mr. Guthrie what he saw as the greatest threat to the continued generation of revenue. Mr. Guthrie indicated that encroachment on our membership by U.S. Club Soccer was the most identifiable threat. He reported that we have had a small decrease in travel registrations over the past year with rec and travel rec registration staying about the same. The loss of travel registrations is attributable to the loss of about 700 travel players to U.S. Club Soccer. Mr. Guthrie said he expects some of these players to return to ISA and that the strategic objective is to outperform U.S. Club Soccer and delivery superior customer service. Mr. Rowland moved for acceptance of the budget. The motion was seconded by Mr. King and approved unanimously.

Mr. Guthrie began discussion of the Grand Park project by pointing out that the expenses incurred so far were separated from the budget numbers presented to the board. Mr. Sommer advised that these expenses would be transferred to the contemplated subsidiary when it was created or, if the subsidiary did not take over the Grand Park obligations, the expenses would be written off. Mr. Zirille advised that the operation of and accounting for the subsidiary must be structured to ensure that we did not jeopardize ISA’s tax-exempt status or the ability to distribute revenue upstream to ISA. Mr. Sommer advised the board of the 15% rule which generally prohibits a tax-exempt entity from receiving more than 15% of its revenue from a taxable subsidiary.

Discussion turned to the negotiation and finalization of the Grand Park Management Agreement. Mr. Clark reported that the only remaining issue is the equipment to be supplied by the City of Westfield. There is still a substantial difference between what the City says it is willing to provide and what ISA believes is necessary for appropriate operation of the field

facilities. Mr. Guthrie said there are both quantity and quality issues that need to be resolved. Msrs. Guthrie and Clark are meeting with Westfield Mayor Cook on July 23 to review all pending issues regarding the equipment. Their expectation is that they either will reach agreement on that date or the completion of the deal will be in jeopardy. If they are able to come to terms with Mayor Cook at the meeting, the agreement in final form will be submitted to the board for approval.

Msrs. Guthrie and Clark reported on the status of the Grand Park indoor facility. They advised that a private investor, Jay Miller, is interested in investing \$5 million or more in the project and has been actively involved in pursuing the opportunity and conducting due diligence, including several meetings with ISA. The total cost is projected to be \$23 million. ISA's anticipated involvement would be through a management agreement between the owner and ISA's wholly-owned subsidiary. This is the part of the Grand Park project that is expected to throw off excess revenue, as the outdoor facility is seen as a break-even proposition. Mr. Clark reported that legal counsel will be engaged to determine the final structure once the pending management agreement is completed. Mr. Zirille observed that care needs to be taken to protect ISA in case of strong performance (protect tax-exempt status, ensure revenue can be transferred) and weak performance (insulate the parent from financial and legal liability).

Mr. Guthrie presented three organizations for consideration and approval as members of ISA: Jay County Soccer Club, Valpo Soccer Club, and Springs Valley Youth Soccer. Mr. Guthrie reported that all three clubs are recreational and have been vetted and recommended for approval by staff. Upon motion by Mr. Rowland and second by Mr. Smith, all three clubs were unanimously approved for membership.

The board discussed the staff bonus pool. In response to a question from Mr. Brown, Mr. Guthrie advised that he would prefer to have some flexibility in paying bonuses, rather than giving across-the-board bonuses in the same percentage of salary based on team performance. However, because the bonus program has been presented as a team goal, it was decided that it should be kept that way for now, subject to revising the program in the future to give greater flexibility to the executive director. Upon motion by Mr. Rowland and second by Mr. Smith, the board unanimously approved the team bonus plan calling for bonus payments to staff equal to 2% of salary.

Mr. Guthrie advised that he has been in contact with the Lilly corporate foundation regarding outreach to the Hispanic community, which is an initiative that meshes nicely with ISA's objectives. He advised that he has been in contact with commercial real estate brokers regarding the possible sale of ISA's existing headquarters in anticipation of a move to Grand Park. A standard commission of 6% would be involved at a price expected to be about \$75 per square foot. The building has approximately 5,000 square feet. The building won't be listed now. Mr. Guthrie reported that staff, equipment, and furnishings could be moved out quickly in the event of a quick sale.

There being no further business or discussion, Mr. Brown moved to adjourn, motion seconded by Mr. Smith and approved unanimously at 11:27 a.m.

Future Meeting Dates: November 2 and December 14, 2013, at 9 a.m. at ISA offices,
5440 Herbert Lord Rd., Indianapolis IN 46216.

Respectfully submitted

Alan S. Brown
Secretary
Indiana Soccer Association
Board of Directors

INDLibrary2 0000000.0001523 1233955.v1