



P.O. Box 568, Beaverton, OR 97075

ORRC Board of Directors Meeting - Minutes

Tuesday, April 9, 2024, 7:00 pm, via Zoom

Recording on You Tube: https://youtu.be/qayXy_rk2u8

Attendance:

- Present: Mark Barrett (VP Race Operations), Daniel Brewer, Deb Brown (Secretary), Susan Cooper, Nicki Halin, Debbie Hall (Treasurer), Adnan Muranovic, Margie Palmrose, Joel Phillips, Valerie Pratt, Julia Reisinger (1200 Club), Tracy Reisinger (President).
- Not present: Alan Cabelly
- Guests: Carrie Fleisher (Volunteer Coordinator), Charissa Yang (Communications), Joe Dudman, Hal Brockman.

7:00 pm Call to order by Tracy Reisinger, President.

Minutes of March 12, 2024 - vote / approve

Motion to approve (Nicki Halen), Second (Margie Palmrose). No corrections.

Vote: Motion carried, minutes approved.

Finances:

- **Treasurer Report (Debbie Hall)** - Continuing to move money and autodrafts from old (Wells Fargo) to new bank accounts (On Point), expected complete next month. Total cash and investments: \$325,618 as of 3/31/24. Race totals (including total income & expense even if FY 2023): Ralph's Run net \$1419 (profit); Hagg Mudd net -\$1075 (loss), as registration numbers were down, and flagging fees were higher; Champoeg net \$1781 profit.
- **Graphic design fees discussion:** currently \$1000/month for two e-newsletters, and occasional logo designs. Proposal from Tracy, per our designer, to reduce fee to \$700 per month, and use more templates for newsletters. Designer would charge separately for new logos. Could a volunteer do this? In past, it was difficult to find a regular volunteer with this skill set. Some feel the price seems high (Adnan, Charissa), though are not opposed to paying for service. Carrie asks how often new logos are needed: several needed this year, but not next year. Consider putting out RFPs to compare costs. Tracy will circle back with the designer.
- **Group Training Runs** - RE: adding location(s), paying for pizza but not drinks; budget considerations vs. benefits to club. Cost was \$250 last week in Sellwood. Hal has agreed to be the host at Westside Foot Traffic. Pizza can be delivered to the store, where they have a keg. Only 30 ORRC members live in Vancouver, and Joe notes Clark County Running Club has a strong presence there. Joel asks what's in it for us? - Connect with current or new members; 10% discount for members at Foot Traffic; ORRC Flyers available at store; FT hosts packet pickups for Turkey Trot; develop relationship with store. Decision to proceed with Westside FT monthly run, not Vancouver. Not a conflict of interest with PRC who provides 1200 Club jackets.

Recap of Events:

- Shamrock Run Expo (tabling) - went well. Spinning wheel needs some TLC. Many names in the drawing were illegible. Next time, might have an online form with QR code link.
- President's Challenge Update - 150 people in the running so far.

Perks for ORRC RD/Board/Coordinators - Discussion / Proposal (Mark Barrett)

Full proposal attached as addendum to minutes. Prior to the meeting, online discussion via email expressed opposition to a stipend or free membership (Joe Dudman, Daniel Brewer, Charissa Yang, Julia Reisinger), as this may run against the culture of ORRC, may not align with ORRC bylaws, or nonprofit rules (see copy as addendum). Alan Cabally emailed in support of the proposal. Valerie shared an article about benefits nonprofits can give to volunteers on a non-taxable basis:

<https://www.nolo.com/legal-encyclopedia/what-tax-free-benefits-can-nonprofits-give-volunteers.html>

Therefore, Mark Barrett proposes the following, amended from the original proposal:

Motion: "Race directors, board members, and coordinators get a free entry into any ORRC event that they do not direct. They may get the entry during the calendar year that they serve. Entries are not transferable to other people."

Discussion: We all are ambassadors of the club. Mark knows that the expectation is that we are providing time for free, but it is reasonable to be compensated for supplies, such as travel/gas expenses. Joe agrees on expense reimbursement, and this should be tracked in a race budget. Mileage reimbursement is available to RDs, as well as other race-related expenses. What happens if a race director can't be secured? Races may be retired. Previously, some races were spun off for profit. Tracy confirms that coordinators are well-defined. Joel supports incentivizing RDs. Daniel asks how many race entries per RD? And do free entries need to be tracked or built into the race budget? Adnan can look into how many free entries or coupons are used per race. Question about the definition of calendar year, and whether it should be during the calendar year, or the year following the race to prevent RDs from quitting? Though it has occurred in the past, Tracy feels the risk or cost of this is low going forward.

Motion (Mark Barrett), **Seconded** per Susan Cooper. **Vote:** the motion passes.

Upcoming Events:

- Vernonia Marathon/Half - Sunday, Apr 14, 2024 - forecast looks good. Needs more volunteers, specifically 2 leadership positions needed at finish. Loading up on Friday 1 pm. Unloading at Banks Middle School 2 pm Saturday. 517 people registered.
- RRCA Conference - May 2-5, 2024, Costa Mesa, CA. Deb Hall notes registration is free for the 5k. Nicki signed up for the Half. Morning group runs are fun.
- Race Director Workshop - Saturday, May 4, 2024 - no discussion.
- Hagg Lake - Saturday, May 11, 2024 - simpler race than Vernonia, planning is on track.
- Dave's Solstice Run at Blue Lake 5k - Thursday June 20, 2024 - meeting tomorrow night. April 16 Blue Lake Park will host a tour (post-construction) April 16. Course approved.
- Member and Volunteer Appreciation Picnic - Thursday, July 4, Margie is working on this.
- Dual Duel 10M Relay & 5k Walk - July 23 - no discussion.
- Pumpkin Ridge Run (formerly Garlic Run) 5k, 10k, Half - Sat Aug 3 - no discussion
- Best Dam Run 10k/Half - Sat Sep 14 - no discussion.

- Portland Marathon Expo and RD Workshop and aid station - October 4-6: we have purchased a booth spot at expo. They have a passport program for free prize drawings. Normally costs \$400 but they will provide free due to ORRC founding the Portland Marathon. Perhaps get space for the race director workshop?
- Mark - Add an RRCA Coaching Clinic? Some interest generated via Facebook, and will post in the next e-newsletter.
- Daniel is co-hosting a walking clinic with a Walking Coach in May. Cost \$15. Needs help with publicity. Needs 6 people minimum, up to 15 max.

Topics for Next Board Meeting

- Revisit SWOT Analysis (Daniel)

Next Meeting: 2nd Tuesday, 7:00 PM (Tuesday, May 14, 2024)

Adjourned at 8:27 pm.

ATTACHMENT #1:

RD Perks Proposal from Mark Barrett:

#1

I move that race directors receive free membership for ORRC. The membership is renewed for one year on the renewal date that follows the completion of the race they direct. The one year renewals continue so long as the member serves as a race director.

#2

I move that the ORRC Board of Directors and ORRC Coordinators receive free membership for ORRC. The membership is renewed on the renewal date that follows the commencement of their term as a director or coordinator. The one year renewals continue so long as the member serves on the board or as a coordinator.

#3

I move that race directors get a free entry into any ORRC event that they do not direct. They may get the entry during the calendar year that they serve as a race director. Entries are not transferable to other people.

#4

I move that race directors receive a stipend within one month after directing an event. The stipend is event-based, so people who direct multiple events may receive multiple stipends. Stipend is based on the complexity of the event, profit/loss, and number of participants. Each RD for races with multiple RDs get a stipend. RDs would have the option of giving the stipend back to ORRC.

Stipend Category A (\$200)

Ralph's Run

Champoeg

Hagg Road

Dual Duel

Solstice

Pumpkin Ridge

Best Dam Run

Stipend Category B (\$300)

Hagg Mud

Vernonia

Turkey Trot

Updated 4/8/24

ATTACHMENT #2:

Email thread expressing opinions on "RD Perks" proposal from Joe Dudman (opposed), with replies from Julia Reisinger (balanced), Alan Cabelly (support), Charissa Yang (opposed). [Personal contact information redacted for inclusion in minutes.]

On Mon, Apr 8, 2024 at 1:21 PM Joe Dudman wrote:

Subject: Please reject Race Director Perks

Hi All,

I want to go on the record as strongly opposing any compensation for ORRC race directors (or any other category of ORRC membership). Not because I don't highly appreciate the time, effort, hard work, and dedication that goes into directing a race. I do!

But the Oregon Road Runners Club is by definition an all-volunteer, member-based, non-profit organization. First of all, no club member's membership dues should go toward anything without the awareness of the general membership. And any expenditures should be included in the proposed budget that is presented to the membership at the annual meeting.

In addition, and most importantly, in an all-volunteer organization, tasks and responsibilities like directing a race should be motivated by a sense of volunteerism and community, not by monetary incentives or other perks. Membership should be the BASIS for volunteering and being involved with the club, not a freebie bestowed upon certain categories of people merely associated with the club. All ORRC members should be members first, THEN they can volunteer further in other capacities. The motivation should be first and foremost to help the club as a member.

Granting free memberships for whatever reason to certain categories of people instantly creates different classes of members. Providing payments (or "stipends") to "volunteers" also goes against the spirit and proper conduct of a non-profit, member-based organization. And both the free memberships and payments would be coming from members' dues, and income that the club receives from race fees, which are resources that belong to the club and its membership as a whole. These resources should be going toward making the events the best they can be, not diverted toward volunteers.

I fear this idea of compensating race directors and other volunteers leads us right down the same road that previous ORRC President Stephen Wright was on, when we currently have a lucky opportunity to do much better and fully embrace what it means to celebrate and comply with ORRC's status as a member-based, non-profit, 501(c)3 organization.

I will illustrate what I mean by relating a conversation I had at the eventful ORRC picnic and Annual Meeting ambiguously supported by the then-board last July:

A couple attending the meeting accused me and others of being too hard on the ORRC board and being confrontational in our attempts to hold President Stephen Wright true to his announcement that the event was in fact the Annual Meeting, in which members get a chance to speak and ask questions. The person I

talked with apparently didn't understand what an Annual Meeting was, or that it had been announced by President Wright and was a requirement of member-based 501(c)3 organizations.

In explaining the purpose of the Annual Meeting, I asked him if he was an ORRC member. He simply replied "I'm a race director." So I asked again "Yes, but are you an ORRC member?" He said again "I'm a race director." This went on a little longer, and I never found out if he was a member of ORRC. Later I discovered he was one of the race directors of a well-known ORRC race.

The moral of that story is that President Wright had established a culture of recruiting race directors and board members by promising them compensation and perks of various kinds, creating something of a class system of people associated with ORRC. Through no real fault of his own, the person I talked with at the Annual Meeting apparently thought of himself only as a Race Director, and not a "member" of the club. He not only didn't understand my question about membership, but he may not have even realized what kind of club the ORRC was, and therefore found the grievances of the "members" at the picnic baffling or confusing.

President Wright and the then-treasurer had also been asking potential new board members and others what they thought about the idea of eliminating "memberships" in ORRC altogether, an action that is not only hostile to a member-based organization, but would in fact be illegal for a 501(c)3 non-profit.

I don't think paid race directors with free memberships would be true members at all anymore, and such a policy would begin to chip away at what defines a member-based, non-profit organization (sorry to keep repeating those terms, but that is the precise definition of what ORRC is).

So I would strongly urge the board to think long and hard about the precedent that providing free memberships, "stipends", and other perks to particular individuals based on volunteer role would set. It would start the club on the wrong path, and represent a turn back toward the misguided course of the Stephen Wright years.

Thank you,

Joe Dudman

On Apr 8, 2024, at 4:52 PM, 1200 Club [Julia Reisinger] wrote:

Hi Joe,

Thanks so much for your really well thought out opinions on the proposals.

I'm sure it will be a good discussion tomorrow night. I personally believe like you do in that people should be members first and have "skin in the game" before becoming a volunteer, and we should not start the process of paying some volunteers and not others.

I don't mind giving free race entry to board members, and race directors (we've been doing that for years), but anything more than that I would vote against.

Looking forward to the discussion!

Julia Reisinger
ORRC 1200 Club Coordinator
Oregon Road Runners Club

On Mon, Apr 8, 2024 at 7:45 PM Alan Cabelly wrote:
Subject: Race Director membership and race entries

Julia et al,

It is important that we take care of Race Directors and Board Members. We do this for volunteers; I believe any race volunteer gets one free entry (or equivalent). RDs and Board Members should receive that and more.

Absolutely we all do this for love and passion; that does not mean we should not also receive nominal rewards that benefit ORRC. I have been on countless for profit and not-for-profit boards over the last 45 years, probably an average of five per year. Many have asked thoughtfully about which "normal" benefits should be given to their passionate leaders who give numerous hours to the organization. These groups typically have given memberships, conference registrations, and the like. In one current organization I am automatically registered for any event; it is important to this thousand person organization that board members are visible.

Board members and RDs sell ORRC values whenever they are visible. It is important to ORRC that they be present. Free memberships, free race entries support ORRC and tell board members and RDs that they are appreciated.

I am truly sorry that I cannot attend Tuesday night, we land at PDX 9:30.

Peace,

Alan

[signature with personal contact information redacted]

On Mon, Apr 8, 2024 at 9:04 PM Joe Dudman replied:

Alan,

With respect, the ORRC is a specific form of non-profit organization, to which certain rules apply. So the activities of for-profit boards don't apply to this discussion of ORRC policies. Also a **not-for-profit** organization is **not** the same as a **non-profit** organization. A 501(c)3 non-profit, member-based organization, which is what the ORRC is, must follow specific guidelines and rules that differ from those of other organizations.

I have also served and am serving on other 501(c)3 member-based non-profits. I was the elected vice president of the Team Red Lizard running club, and am currently serving my third and final elected term on my neighborhood association's board of directors. No one in either organization receives any compensation, nor would they expect to. In fact, the members of the neighborhood association are encouraged to set an **example** to the neighbors by **donating financially** to the neighborhood in addition to all their volunteer hours. I personally donate a few hundred dollars a year to the neighborhood in addition to having been in charge of producing the neighborhood association newsletter for three years, helping bring the Portland Marathon course to the neighborhood and welcoming the runners each year, and currently sending out emails from the board to subscribers to our email list. Never would I expect or request any compensation for any of that, nor would any of my fellow board members. We ran for the board because we wanted to contribute to the health, safety, vitality, and liveability of the neighborhood, not because we wanted to profit from it. If anyone did request or receive compensation, and word got out that there were different tiers of board members who received perks for what is considered to be volunteer service, the uproar from the neighborhood would be deafening (believe me, there are neighbors who would pounce on any real or perceived misstep in compliance with proper procedure). We are lucky in the neighborhood that we have board officers who have been sticklers for doing everything with full transparency and by the book. It's not easy, but it's important. And it's certainly not a good idea to actively go in a direction that is not supported by 501(c)3 rules or by the bylaws of the organization.

I respect your experience in various organizations over the years, but making general statements about boards that differ from the ORRC in category, expectations, and requirements is not helpful. ORRC is a registered 501(c)3 non-profit, and as such must follow very specific rules. What for-profit and not-for-profit organizations can and can't do is irrelevant to how a member-based, non-profit, 501(c)3 **must** behave.

Thanks,

Joe

On Monday April 8, 9:08 PM, Charissa Yang <communications@oregonroadrunnersclub.org> wrote:
Subject: ORRC is not "for-profit" and is also not "not-for-profit"

Just some quick facts in response to Alan's message:

- **Nonprofits and not-for-profits** [are not the same](#).
- **Nonprofits:** legally [cannot distribute their income to members or directors](#).
- **Nonprofits** may be [membership or non membership](#) based.
- **ORRC is a membership nonprofit**, per our [Articles of Incorporation](#) (see Item VII B).

ORRC specifically is a 501c3 public charity (there are other kinds of 501c3 organizations).

From the IRS: A 501(c)(3) organization is prohibited from allowing its income or assets to benefit insiders – typically board members, officers, directors and important employees of an organization. If an organization benefits insiders, the insiders and the organization could be subject to penalty excise taxes and the organization could lose its tax-exempt status. ([This is called inurement.](#))

If we don't like this structure, we actually cannot do much about it since ORRC is incorporated as a membership nonprofit. We must operate under the legal requirements or else cease to operate (and if the club is dissolved we still must distribute the assets only to other public charities with similar missions.)

We are not "for-profit" and we are also not "not-for-profit": we're nonprofit.

Charissa Yang
Communications
Oregon Road Runners Club

REFERENCES:

Differences between nonprofits and non-for-profits.
<https://www.devry.edu/blog/start-a-not-for-profit.html>

Nonprofits:
https://www.law.cornell.edu/wex/non-profit_organizations

Difference between membership and nonmembership nonprofits:
<https://www.nolo.com/legal-encyclopedia/difference-between-membership-and-nonmembership-nonprofits.html>

ORRC Articles of Incorporation:
https://drive.google.com/file/d/0B1FP5JCJ4JuONHYyZzJOWDNIT3c/view?resourcekey=0-XSs1sHgg_ROW8VEgra5A

How to lose your 501c3 status without really trying:
<https://www.irs.gov/pub/irs-tege/How%20to%20Lose%20Your%20Tax%20Exempt%20Status.pdf>

ATTACHMENT #3:

Email statement, Charissa Yang, "Opinion on RD Perks" sent April 8, 2024, 6:17 pm:

Dear ORRC friends,

Please understand I have deep respect for all of you and appreciate your efforts and enthusiasm for the club. Yet, I must express deep opposition to the "RD perks" proposal and any compensation of ORRC race directors and board members. I have three main points, below:

Nonprofit leaders are to build and steward club funds.

1. Board Members are often expected to give financially, in addition to serving on the Board of the nonprofit for which they serve. It demonstrates that the board members completely support the nonprofit, not only with their time and effort but also by giving a personally significant amount of money. [Read more about this common expectation.](#)

2. The club's money is not our money. As a nonprofit membership based club, we exist to serve the members. The club's funds belong to the membership. It's not ours to spend without their explicit approval. This expenditure was not part of any approved budget, so we don't have the right to spend it this way.

Compensation is against our bylaws, complicates our taxes

1. The [ORRC bylaws](#) themselves state

- 1) Members are in good standing only if they are current in paying dues (§4.1.1).
- 2) Board members must be current dues paying members (§7.3).
- 3) Board members are volunteers that serve without being paid (§12).

2. RRCA. Although we may not be required to follow RRCA recommendations (based on the premise that we believe we are an independent 501c3), we are still a nonprofit club member of the RRCA and should have practices reasonably in line with their recommended practices.

3. Oregon nonprofit law says that if our bylaws prohibit it, we must stand by our bylaws that prohibit the compensation of board members ([ORS 65.335](#)).

4. Federal IRS complications: there would be [IRS reporting consequences](#):

- 1) ORRC would have to issue a [IRS Form 1099 MISC](#) to each person who receives \$600+.
- 2) ORRC would need to disclose all those paid in Form 990 Part VII Compensation.
- 3) Individuals that receive money from ORRC must report it as income on their own tax forms.

We need to be better, considering the club's history

1. We are in the process of building good faith again with the membership. [Nonprofits are specifically cautioned against compensating board members](#) for the reason of maintaining public trust. Please, let's not find loopholes and other ways to compensate ourselves with perks and fringe benefits, especially free memberships and money.

2. Given ORRC's past with former members' improper use of funds, we should particularly be careful and care to pay attention not only for the sake of optics but to be sure we are indeed acting ethically.

3. We have for years highlighted the fact that we are an "all volunteer organization" and it sends a contradictory message that can betray the public trust to cross that line.

Friends, I'm sorry if this sounds harsh. I'm just trying to help and I really care about integrity. If anyone is doing too much work, then the answer should be to try to recruit more volunteers, not pay ourselves. If we want to have paid positions, then we need member input on establishing staff positions.

Finally, all board members of ORRC should know these sorts of things; you need to have a basic understanding of what it means to be registered as a [nonprofit in Oregon](#). Maybe we need to take a new step to understand this more in detail. I think it's been a serious weakness. Personally, having to step in to say these things alarms me a bit.

I would suggest that we cease *any* practices that violate our bylaws. In fact, lifetime memberships are contrary to the spirit and letter of these bylaws. Free memberships for anyone is also contrary. [Bylaws must be followed](#) to the letter, even if we historically haven't regarded them very seriously.

Charissa Yang
Communications
Oregon Road Runners Club

End Attachments to ORRC Minutes