



Minnesota Hockey, Inc.
Special Board Meeting
August 12, 2013 (Conducted via teleconference)

Meeting was called to order at 8:00PM

Board Members Present:

President Dave Margenau	Past President Dennis Green	Vice President Terry Evavold
Vice President Scott Gray	Secretary-Treasurer Jerry DeMeo	Vice President Dave Stigen
Director Jake Reinseth	Director Scott Dornfeld	Director Mark Jacobs
Director Doug Kephart	Chris Evans for Director Brad Hewitt	Director Rich Rakness
Director Tom Christenson	Director Tim Timm	Director Pete Hill
Director Steve Oleheiser	Director Dave Swenson	Director Toni O'Brien-Gillen

Staff Present: Executive Director Glen Andresen & Financial Administrator Kathy Hayes

Committee Members Present: Bob Halverson (Rules); Jim Bullard (Finance).

The voting quorum was announced. With 18 members present, simple majority is 10 two-thirds majority is 13.

President Margenau opened the meeting stating that the purpose of the Special Board Meeting, was to take action upon three items. They were:

1. To act upon a proposed change to Minnesota Hockey Youth Rules & Regulations, Section IV, Participation, as submitted by Director Hewitt, with such change to become effective immediately.
2. Act upon a Resolution to adopt the FY 2014 Minnesota Hockey Operating Budget as submitted, with a modification to either increase revenue or reduce expenses, or any combination thereof, for each line item in the budget, except for the revenue pertaining to player registration, for a total of not less than four percent (4%) to achieve a balanced budget.
3. Act upon a Resolution to adopt the FY 2014 Minnesota Hockey Operating Budget as submitted, without further amendment and deficit of \$84,222, and to empower the Secretary-Treasurer to use funds in reserve, in an amount not to exceed eighty five thousand dollars (\$85,000) to supplement the projected budget deficit for FY 2014 only.

Secretary – Treasurer DeMeo requested that the agenda be amended to include acting upon the Stipend Schedule , dated June 11, 2013, and previously submitted to the Board for consideration during its regular

meeting of June 23, 2013 and postponed until this Special Meeting. With no objections made, the agenda was amended to include this item.

A Motion was made by Chris Evans and seconded by Doug Kephart that the board approve the language change to Minnesota Hockey Youth Rules, Section IV, Participation; Paragraph 5, as follows, with such change to become effective immediately:

5. *Changing Schools*

- a. *Players who change schools without a related change of residence shall elect one of the following:*
 - i. *Have full eligibility to compete at any division in their Association of Residence; or*
 - ii. *Have full eligibility to compete at any division in their Association of School Attendance if they completed the grades offered in the school they were previously attending; or*
 - iii. *Be eligible at all except the highest division in their new Association of School Attendance for one (1) year beginning with the first day of attendance in the new school if they did not complete the grades offered in the school they were previously attending.*
- b. **"Completing the grades offered in the school" is defined as completing the grades offered in Elementary, Middle School or Junior High School. Typically there is a change of building involved, but a building change alone (such as a change between 3rd and 4th grade) does not constitute completing the grades offered in the school's system.**

After a brief discussion to clarify the language, **the Motion carried by a vote 16 in favor and 1 opposed.**

A Motion was made by Secretary-Treasurer DeMeo and seconded by Past President Green that the Stipend Schedule dated June 11, 2013 be approved as submitted. There was no discussion. President Margenau reminded the Board that those receiving stipends or had members of their immediate family receiving stipends must excuse themselves from voting on this Motion. Nine members were excused, **The Motion carried by a vote of 7 in favor and one opposed.**

A Motion was made by Vice President Evavold and seconded by Director Gillen that the Board adopt the Minnesota Hockey Fiscal Year Operating Budget, in accordance with the following resolution:

WHEREAS *the current Minnesota Hockey fiscal year expires on August 31, 2013 and it is required that a new operating budget be in place by September 1, 2013, which is the beginning of the new fiscal year 2014, and.*

WHEREAS *the current operating budget for FY 2014 is presently in a deficit condition of \$84,222, with such deficit resulting from USA Hockey legislation changing the requirement for background screening thereby increasing the cost for this service, and*

WHEREAS *the timing of this legislation did not afford the opportunity to pass these increased costs on to the membership and discussions held to date with budget managers have not yielded sufficient voluntary budget reductions, and*

***WHEREAS** the Minnesota Hockey Board of Directors, being of the opinion that its members should receive full benefit of the programs being offered during the 2013-14 season, feel that, in this situation, it's prudent to use the organization's cash reserves to supplement the revenue shortage; therefore*

***BE IT RESOLVED** that the Minnesota Hockey Board of Directors empowers the Secretary-Treasurer to use funds from the organization's cash reserve as necessary to supplement fiscal year 2014 operating revenues in an amount required to balance income with expenses but not to exceed \$85,000.*

***BE IT FURTHER RESOLVED** that this authorization is limited to the fiscal 2014 budget year only.*

During the discussion that followed Secretary-Treasurer DeMeo explained the reason for the difference in the budget deficit from the (\$22,757) the Board was presented during the June meeting to the (\$84,222) deficit currently proposed. He said that \$20,095 additional deficit came from the omission of bank service charges from the HP program registrations. An additional \$54,170 in deficit came from the player registrations that were inadvertently entered twice in the membership funds. Positive gains were obtained through an additional revenue increase of \$6,000 in sponsorship and an expense reduction in the amount of \$6,600 within the Hockey Education program.

Secretary-Treasurer DeMeo also provided an update on the FY 2013 finances. Through July, 31, 2013, we showed a surplus of \$452,128. Remaining expenses for the year ending August 31, 2013 are projected to be \$262,967, leaving a surplus of \$189,161 compared to the \$12,757 surplus budgeted. This was largely due to budgeted program expenses that were not incurred during the year.

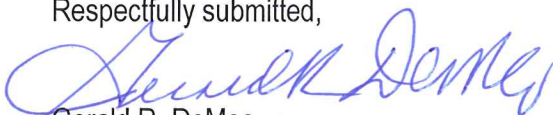
Several directors voiced concern that the practice of using reserves to cover budget deficits may establish and undesirable precedent. Also, it was expressed that we could likely operate just as efficiently with a balanced budget, and could attain that status by a combination of increased revenues and/or reduced expenses that would positively impact the budget by approximately four percent (4%). Following discussion, **the Motion carried by a vote of 13 in favor and 4 opposed.**

In light of the passage of this Resolution, President Margenau declared the following matter on the agenda to be moot.

President Margenau expressed appreciation to Jerry DeMeo, Kathy Hayes, members of the Finance Committee and all the budget owners for their efforts and dedication to getting the budget for 2014 adopted.

Upon the conclusion of the business on this Special Meeting agenda, the meeting was adjourned at 8:47 PM

Respectfully submitted,



Gerald R. DeMeo
Secretary-Treasurer