

Seattle United Board of Directors

Meeting Minutes

John Marshall Building – January 29, 2013

Name	Attendance
Board Members	
Mike Ehrenberg	Present
Dave Richardson	Present
Robert Sheppard	Absent
Jess Gobel	Present
Jennifer Price	Present
Warren Ratliff	Present
Christine White	Present
Cam Ragen	Present
Cyndy Masada	Present
David Hennes	Present
Dori Karjian	Present
Brian Floyd	Present
Yarrow Banko	Present
Other Participants/Guests	
Kevin Long	Present
Jimmy McAlister	Present

I. Call to Order

A quorum of members of the Board being present (12 of 13), a regular meeting of the Seattle United Board of Directors was called to order at 7:00PM. Subsequent to the call to order, an additional member of the Board joined the meeting.

II. Budget

A. Overview.

The primary purpose of this meeting of the Board was to discuss the 2013-2014 budget (the “Budget”) and a discussion thereof was led by Mike Ehrenberg. The discussion of the Budget was organized into (i) major discussion topics and (ii) extraordinary items. In reviewing, discussing and setting the Budget, a primary goal of the Board’s was to intelligently understand and determine the per player allocation of expenses, thereby arriving at a reasonable, and market comparable, per player cost to be charged to the club’s players and families.

Initially, Ehrenberg noted that there are four major components and accompanying principles that make up the cost per player:

(i) Direct per player fees – i.e., Washington Youth Soccer fees. These are incorporated directly into the per player calculation.

(ii) Soccer team level costs – i.e., team coach compensation and registration fees, which are aggregated and divided by the target number of players per team.

(iii) Club soccer administrative costs – i.e., overhead costs that are directly soccer related, for example, full time soccer staff not allocated to team assignments, such as coaching director compensation. The allocation of these costs and, correspondingly, the Budget incorporates the principle that these costs accrue ratably to the benefit of Premier players, then to Classic players, then to Community players. Therefore, these costs are allocated on a 6:3:1 ratio (Premier: Classic: Community).

(iv) Club non-soccer administrative costs – i.e., office rent, which are aggregated and allocated evenly per player in the club.

B. Major Discussion Topics.

(i) Cup Fees. Historically, the club has included cup (State and Founder's Cup) fees in the per player cost/tuition. Ehrenberg and McAlister noted that a small number of teams had opted not to participate in cups this past year and the Board discussed whether or not an appropriate alternative would be to exclude cup fees from tuition and require teams to collect the fee during the season. The Board agreed to continue its past practice of incorporating cup fees directly into tuition, but allowing individual coaches to opt out of a cup and request a fee refund.

(ii) Scholarship. The proposed Budget reflected the club's obligation, pursuant to its By-Laws to direct 5% of each paying player's tuition to the scholarship fund. Ehrenberg noted that for 2012-2013 the amount of awarded scholarships materially exceeded the budget, with the gap bridged by the Golf Tournament fundraiser. There was a general and vigorous discussion of issues related to scholarships, including (i) timing of issuing scholarships, (ii) geographical boundaries of eligible recipients, (iii) criteria and methodology for evaluating materials related to eligibility, (iv) whether or not to issue partial scholarships and (v) whether or not to ask other governing bodies to contribute to the scholarship fund. The Board agreed that a robust, well supported scholarship fund was integral to the club's mission to serve youth soccer players in Seattle.

(iii) Beacon Hill Program. The proposed Budget considers the Beacon Hill program (consisting of three teams during the 2012-2013 season) separately from the general scholarship fund and includes the cost of the program as general club overhead/community outreach. The Board agreed to increase the commitment fee for each Beacon Hill program player from \$60 to \$100 and to add one additional team to the program.

(iv) 403(B) Program for Full Time Employees. The proposed Budget includes a \$20k cost associated with setting up and administering, but not matching, a 403(B) Retirement Savings Plan for full time employees (currently 10, including directors and staff coaches).

(v) Conversion of Coaches to Employee Status. The club has been previously advised that the IRS and applicable Washington agencies may treat part time coaches as employees, rather than independent contractors and that the failure to properly classify such coaches could expose the club to liability. Accordingly, the proposed Budget includes costs associated with the treatment of coaches as employees. The Board requested that further analysis be done on whether or not additional costs may be incurred upon such conversion as a result of the Affordable Care Act.

(vi) Value at Program Levels. There was a general discussion of the need to consider, in setting the per player cost/tuition, the value participants (players and families) receive and perceive they receive, across different programs – i.e., Tango players compared to Classic select players, high school players versus year-round younger players. The Board agreed to consider such intangibles, in addition to more analytical factors in setting the per player cost/tuition.

C. Extraordinary Items.

(i) Rent. The club's current lease at John Marshall School ("JMS") expires in March 2013 and the proposed Budget includes an increase rent cost of \$3,000 per month, compared to \$1,000 per month at JMS, based on results from the ongoing office search and acknowledgement that the rent at JMS was below market.

(ii) Affiliation with Youth Academy of English Premier League Club. There was a discussion of costs associated with a potential affiliation with the youth academy of an English Premier League club; the Board approved entering into the affiliation and incurring the anticipated costs.

D. Proposed Per Player Cost/Tuition.

Based on the discussion above, the Board set and unanimously approved (12 of 12 attending) the following per player costs/tuition rates:

Community: \$550 per player.

Classic: (i) \$1,350 per player U11 – U14; (ii) \$1,265 per player U15 – U18ⁱ.

Premiere: \$2,100 per player.

U8 – U10: \$1,900 per player (kit included).

III. Adjournment

The meeting was adjourned at 9:50 PM. Minutes taken by DORI KARJIAN, SECRETARY

ⁱ Post meeting; equalized to \$1,300