

RE News

Hi everyone,

This is about Road Racing, not because our other two racing segments are unimportant, but because the Road Racing part of SFR has significant challenges if we are to be relevant in the coming years. We are faced with significant track rental cost, and decreased Driver counts. Our Workers are faced with increased gas and lodging costs which has led to decreased volunteer counts.

We are blessed with owning Thunderhill, built by donations and Driver fees from the Road Race community. The Thunderhill team runs a great operation which affords SFR with a dividend of around \$250,000. I am thankful for the dividend, however, I want a good part of the dividend money to go toward rebuilding our Road Race program.

Is this solvable. YES, but we all must call it like it is and acknowledge the issues, and know we need to change to match the circumstances we're in.

Road Race 2024 Event Financials

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Income			
Event Entry Fees	848,384	Entry fees paid by Drivers	
Membership Fees	59,410	SFR % of SCCA membership fee	
Other	23,676	Sponsorships	
Total	931,470		
Expenses			
Track Rental	454,500		
SFR Office Cost	180,747		
SCCA National Fees	88,020	Sanction fees, SCCA insurance,	
Track Services	73,730	Gate Guards , security, etc.	
Ambulance	73,037		
Communication Track Fees	56,836	PA system, F&C landlines	
Food & Social Event Expenses	45,698	Worker/Driver lunch/dinner	
Bank/Credit Card/MSR	44,114	Credit Card processing + MSR fees	
Trophies	39,304		
Volunteer lodging + travel	33,176		
Race Admin	32,835	Banquet/Vehicle Insurance/Equipment Purchase	
Wheel Production Cost	25,810		
Worker VIP expenses	24,357	Worker VIP Program	
Emergency/E-crew	21,054	Hiring outside people or buying services from the Tracks	
Sanitation	13,645	Bathrooms/Portapoties	
Flagging & Communications	12,906	Hiring people or renting Flaggers from track	
Towing and Repositioning	12,283	Moving the Ecrew trucks from event to event	
Timing & Scoring	4,154		
Paddock Camping	3,500		
E-crew gas & other expenses	2,542		
Equipment Rental	1,854	Generators for Workers	
Other Crews Expenses	1,805		
Vehicle Gas & Oil	1,720		
Total Road Racing Event Expense	1,247,627		
Road Racing 2024 Loss	(316,157)	2024 Road Racing operations loss	
Laguna Credit from 2023	<u>79,200</u>	Laguna credit from 2023 event cancelation due to repaving issues	
Net Loss	(236,957)		

We are in the process of completing our planning and budgets for 2025. Our approach for this year is: 1) Get our event management processes smoothed out so we don't have so many last min. expensive issues, 2) Cut costs where we can. Balance our costs with our income, 3) Work to make our events attractive by increasing track time, 4) get our Website cleaned up and useful to our members. Once

we get steps 1-4 going, then step 5) Build a plan and budget for promoting and growing SFR road Racing

Thunderhill Free Test Day

SFR is blessed to have had some real smart folks 35 years ago that said let's build our own track and then we had David Vodden followed by Matt Busby running it that has made it possible for SFR members to have a free test day. We will have Open Testing, HPDE, and Worker lead follow sessions. To participate go the Motorsports Reg.

2025 Road Race Drivers School

We start the Road Racing season on February 28th with a three-day Drivers School. We have increased the cost of the school BUT include in the fee is a free race entry at any 2025 SFR event held at Thunderhill. Aside from having great instructors, lots of track time, after the free entry credit the cost is a bargain when compared to other paths to get a SCCA comp license.

What is Worker Appreciation Fund (WAF)

When you register for a Road Race on Motorsports Reg there is a line that allows you to add money for the WAF program. It's not new, for many years we have had this in place. So what is it. Years ago, we asked Drivers to put what they could into the Fund which would be 100% used to support our Workers with gas, travel, and lodging expense. We have one of our Workers who acts as the liaison for the funds with the goal of making it easy for a Worker to ask for financial support.

I speak for myself when I say the reason I race is to drive fast legally, but a very big part of why I continue to participate is the comradery in being around Drivers and Workers who like the same sport I do. I've made good SFR friends over the years. Well, the same is true about our Workers. When you ask a Worker why they do this the answer is usually they like being around racing, meeting and talking with the Drivers. Perhaps they can't quite make driving a race car work, but they can be part of our sport when they volunteer.

So, the next time you register for a Road Race event contribute what you can to the WAF program. It's good to support those that are supporting all us Drivers!

SFR Race Shops

We would like to communicate with Race Shops that support SFR but we currently have no up to date email list. If you are a Race Shop, will you please send me an email at mike@sfrscca.org and in the title line put "Race Shop". We would like to talk with you about the best ways we can support you.

The Wheel and the SFR Web

Blake Tatum is not only a Board member but he's the person in charge of producing the Wheel. He's done a great job reducing costs over the last 5 years. The current cost of producing the Emailed version is about \$25,000 a year which is a meaning amount of money. However, the Wheel is important to our Road Race Drivers, our Autocross, and our Workers. So, what we decided to put it on hold, take a break over the holidays so we had time to get a new plan. And we have a plan, which is to integrate the Wheel into a new Web page design. We are processing the Wheel plan and the Web plan together. First step was to get the Web on a more solid operational platform and we believe we have done that. We have a first cut new web design that 1) will give members user friendly information, and integrates the Wheel. I said first cut because it has not been finalized, but we're pushing hard to get there. The Board is meeting on 1/30 and we will review a time line. At that time we will make a decision on should we publish a Wheel issue in the current format until the new web site is done.

What will be Different in our Road Race Program for 2025

We've been working on several new programs this year's Road Race Program.

Track Time – We are going to try a new format for our event scheduling. For lack of a better term, we're calling it "follow by scheduling". In the past each session at a race weekend had a specific start and stop time and gap between sessions. Sometime race operations needed the gap between sessions and sometimes they did not. If they did not need the gap between a session, the track sat empty because the next session was starting at a specific time. I've been working with the Steward leadership and starting at our Sonoma race the schedule will begin at (in this case) 8:15 and each group will follow once the Stewards prepare the track for the next groups. The idea is on average we can operate with less session gap time and there have more Driver track time. We will use a notification system to alter the following run groups on where we are in the sequence for your session.

Race Hero - As many of you know, Race Hero is no longer in existence. To replace it we are going to run both Race Monitor and Mylaps. These both have apps that can be downloaded. This will be new for all of us at Sonoma, so we'll have to work out any bugs, so please know we're on it!

Track Time - We've done several surveys with our Drivers, and we've concluded our Drivers want more racing time and less qualify time. Starting at the Sonoma event we will be running a 20 min Qualify session, a 25 min Race 1, a 20 min Sprint Race, and a 30 min Feature Race 2. Moving forward our plan is to use this format in all Regional Races.

Grid position for Race 1 will be set by the Qualification session times. Grid position for the Sprint Race will be set by finishing position in Race 1. Grid positions for Race 3 will be set by finishing position in the Sprint Race. An entrant that did not run in the previous session will be gridded at the back of the group in order of arrival to Grid.

On the Championship points tally all races will be scored with points, using the same points structure we have used in the past. However, a Driver will be allowed to drop the THREE lowest point RACES for the year.

Laguna Seca

Friends of Laguna (FoL) took over management of Laguna Seca on January 1, 2025. This was much later than was expected. We had been working with the previous management company on our dates for 2025 and were hoping to have two Road Race dates in 2025. When it came down to the final decision, we were only given one date this year. Inside our Road Race organization there have been all sorts of rumors and some negative thoughts about FoL. I'm here to set the record straight on fact-based information based on our direct interaction with the new management.

Why did we only get one event? The answer is I don't know. It had nothing to do with SFR or SCCA. They have redone their pricing with sizable increases and it's possible they want to see what new renters they can attract. There also has been pressure from local activists to reduce sound levels. While I have no direct knowledge of this, I do know they only get a limited number of 103db days which we have been using so it's possible they want to sell those dates to other renters.

So, what are you doing about the relationship with Laguna? We looked at the best way forward and asked a long term SFR member who had a relationship with the track to act as liaison to begin working on our 2025 event contract, and get a better understanding of the goals and operations of FoL. His goal is to ensure our June 2025 event goes smoothly and to begin developing a working relationship with FoL. I'm happy to report that he has been very successful at this goal. He has worked through the new track renter policies and protocols in a way that is workable for SFR. Everyone at the FoL have been friendly and when we asked for an accommodation, they have gone out of their way to support SFR.

SFR has supported Laguna for many years. Why are we no longer important to them? The question is valid but for one thing. We have been supportive of previous management of Laguna, but FoL is new and while they appreciate SFR, they have the right and obligation to run their business however they

think it will be successful. Laguna has had a deteriorating infrastructure for many years. FoL is tasked with fixing the infrastructure which will take millions of dollars, all the while keeping their deal with the County of Monterey. It's not about SFR.

It sounds like you are supporting FoL? I'm supporting SFR. FoL does not owe anything to SFR other than treating us as a good customer (which they are doing). If we want Laguna to stay around, we need FoL to be successful. We love to race at Laguna so our goals and FoL's goals are the same. We are on a good path of developing a good relationship with them. This is evidenced by the new CEO has offered to attend one of our SFR Board meetings.

You said FoL new pricing has increased? That is correct. It's not going to be any easy feat to run an SFR Road Race event at Laguna and even breakeven. We will need to make a reasonable profit at our other events to cover the negative at Laguna. I believe that is doable provided we do a good job operating our events.

Will that mean entry fees at Laguna will go up? The answer is yes. However, we are working on smoothly out our overall operations so the increase does not have to match the increase cost for putting on SFR Road Racing events.

Will we get more than one date in 2026? The reality is SFR is only guaranteed dates at our own track Thunderhill. However, we already have requested 2 dates in 2026 and we will continue to work with FoL toward that goal.

How come our Workers are no longer supporting Laguna's spectator events? On this one I'm very sad since I worked on one of the ECrew tow trucks for many years, it was fun and exciting. In my opinion there are two reasons. FoL is in the process of building they're business model and now they are hiring outside support vendors rather than the SFR volunteer Workers. Second, we have lost the majority of SFR ECrew which was an important part of our offering to the Laguna Pro events.

Thanks for being open to new ideas

It's been a short time since the Board election, and we have made some good progress and there's more to do. However, I'd like to say thanks to the folks who worked like the season never stopped (and over the holidays). Our Worker Chiefs, we've had many emails and zoom meetings. John McIntyre, who worked to clean up and keep our "word" at Laguna. Joe Briggs who has been the key driver on our Laguna contract and our relationship with FoL. Bill Booth and Rhina Miller (our fiancé person) both have worked nonstop in helping us know the how and what of our finances. Blake Tatum for his work with getting outside groups to run on our dates and moving the Wheel into the future. Greg Hoff for working on Sonoma contracts. Linda Rogaski for getting our disjointed supps redone. Jim Rogaski and Kevin Cullen for working with me on the "follow by" and more track time concept.

Next Thursday our Board has an all-day meeting. I know this sounds like the end of something when I say thanks to folks. In a way it is. It's the end of the beginning for a new SFR Road Race program. Change is not easy, and these good people make it happen.

See you at the track,

Mike