



November 10, 2011

To the Governing Board,

At the end of FMCA's Family Reunion in Madison, Wisconsin, in August, FMCA senior vice president Allen Rein, FMCA treasurer Wil Young, and I proceeded directly to the FMCA national office in Cincinnati. We focused on the recently approved 2012 budget and various other issues related to FMCA's accounting system and procedures. Adjustments were made to our procedures and an internal program was instituted to correct any possibility of bills being overlooked and becoming past due.

We also focused on the many contracts that FMCA has in force, and we put together a committee to review all contracts that we have in-house, with cost savings to FMCA as our goal. We have been successful in many areas. We have realized savings in garbage collection, office cleaning, postage expenses, and purchasing of products such as paper.

FMCAssist

We have begun meetings with Global Underwriters, the agent of record, to review that contract and see whether we can come up with a better one for all concerned. These discussions also will involve On Call, the FMCAssist provider. Some benefits that we would like to have for our members are not included in the current program. We are in the process of renegotiating toward that end. Another issue being discussed is the cost of the program. The current cost of this benefit to members is approximately \$385,000 per year, or around \$33,000 per month. One concern we have is that FMCA's current membership base of 87,545 families does not financially support this expenditure.

Staffing Changes

During his time as FMCA executive director, Brad Koshland instituted several restructuring moves at the national office to improve office staff efficiency.

Jerry Yeatts initially was moved from the Convention Department to the Membership/Member Services Department. Jerry has since assumed the duties of the executive director but will continue to oversee Membership/Member Services as well.

The Convention Department has been restructured to include area rallies, so it is now referred to as Events & Commercial Services. Chris Lusk was named to take over that department under the title of events manager. Carol Shields was moved from Chapter Services to Events. Brad also created a new position of assistant events manager, a position that recently has been filled by Maureen Mullarkey, a longtime FMCA employee.



Loretta Buob has moved from Chapter Services to serve as director of Accounting/Financial Services. Debbie Calhoun has moved from the Events to Accounting/Financial Services. Penny Gortemiller has stepped up to the position of supervisor of Chapter, Area, & National Services.

All of these moves have taken place with very minimal, or no, financial impact to FMCA. With the elimination of some positions and the departure of the executive director, an approximate savings of \$268,000 to FMC will be realized.

Executive Board Actions

At the recent Executive Board meetings here in Cincinnati, all per diem for the board was eliminated for the near future. The travel budget for the president and the executive director has been suspended.

Why?

We are in a period of constant budgetary management and need to stay on top of our financial responsibilities.

In light of FMCA's financial challenges, the Executive Board has asked all Member Staff and Advance Crew members to donate their time at the upcoming Family Reunion in Indianapolis, Indiana, next summer. A copy of that request is attached.

We are doing our very best on your behalf to negotiate this sensitive financial period so that FMCA is positioned for success at the end of the downturn in our global economy. Many of the decisions your Executive Board made this past week were not easy and, indeed, not very popular with all concerned; however, we have to take control of our own destiny and arrest our membership attrition rate and act in a fiscally responsible manner for the good of our Association.

The minutes to the past week's Executive Board meetings are being prepared and will be made available to you in the earliest possible time frame, keeping in mind that Chapter, Area, & National Service, which types and routes the minutes for review, is down by two employees.

FMCA's Cincinnati staff members have risen to the challenges and are doing their utmost to keep providing the services that you are used to without so much as a hiccup.

As your president, I ask for your support through these sensitive times.

Thank you.



Charlie Schrenkel, L140050
FMCA National President

FAMILY MOTOR COACH ASSOCIATION

November 9, 2011

To FMCA Member Staff and Advance Crew,

FMCA continues to face serious challenges posed by the slow economic growth that is impacting the RV industry. Although it appeared at the start of the year that the RV industry was on an upswing, it seems that the negative global economic news dampened the industry's recovery mid-year. However, the Recreation Vehicle Industry Association recently released survey results that indicate continued passion for the RV lifestyle and strong demand for RVs in the years ahead. FMCA must do all that it can now to weather the ongoing economic storm.

One key to this will be to continue to work toward building FMCA's membership numbers, and we need all members to assist us with that goal. Unfortunately, FMCA's active membership count continues to drop each month. At the end of October, our membership count was 87,545, down 639 from the previous month. So far this year, we have lost 5,921 members, which translates to a dollar loss of \$236,840 in dues revenue. Of course, this compounds the financial challenges the association faces.

During its recent meetings in Cincinnati, the Executive Board discussed various ways to reduce expenses in these challenging times. One action taken was that the Executive Board cut all per diem claims from their travel for the time being.

Among items discussed was the Family Reunion and Motorhome Showcase set to take place in Indianapolis, Indiana, next August. The goal is to have a safe and enjoyable convention for the membership but to reduce expenses wherever possible because of reduced revenue.

No convention/family reunion can be successful without the many longtime and experienced members of the various crews that diligently perform their duties through all kinds of weather and unexpected occurrences. So, we did not take the changes that we have made lightly.

The Executive Board has reduced the revenue budget for the Indianapolis Family Reunion and Motorhome Showcase from a projected 2,500 family motorhome registrations to 2,000 motorhomes; a reduction of approximately \$80,000 in revenue for the Reunion. To compensate for lower anticipated revenue, they also reduced the evening entertainment budget from \$50,000 to \$35,000. Some golf carts, radios, and rental vehicles were reduced as a cost-savings measure.

The Convention Committee has recommended, and the Executive Board has agreed, that all member staff/volunteers and Executive Board members should pay for electricity at the Reunion, if they want it.



The Advance Crew dinner will not take place in Indianapolis, and \$10 dollar coupons will be issued in lieu of the dinner.

In another action, the Executive Board voted not to provide box lunches at the Indianapolis Reunion.

The Executive Board also made and passed a motion to ask all volunteers in all categories to volunteer their expertise in their respective fields at no cost to FMCA. With this letter, I am asking whether you would do so.

Roll call votes were taken on these issues and will appear in the minutes from these meetings, but I felt it was only fair to give all of our volunteers an opportunity to step up and help your association through a very sensitive financial period.

None of the above is pleasant for you, nor is it easy or pleasant for me, your president, to ask you for this type of help. You are all loyal and longtime FMCA members, with a history of going the extra mile when asked. I am asking you to walk this mile with me.

Please contact Maureen Mullarkey in the Events Department via e-mail (mmullarkey@fmca.com) or telephone (800-543-3622 or 513-474-3622, ext. 208) and let us know your decision.

A handwritten signature in cursive script that reads "Charlie Schrenkel".

Charlie Schrenkel L140050
FMCA National President