

## **2014 Fall Board of Directors' Meeting**

Charlotte, North Carolina

September 13, 2014

Directors Present: Chairman Richard Maleady, Treasurer Phil Umphres, Secretary Frank Whiteley, Lane Bush, Art Greenfield, Geoff Weck, Ann Lafford, Jim Garrison, John Lubon, Stephen Northcraft, Steve Leonard, Jay McDaniel, Cindy Brickner, Peter Smith, Linda Draper-Hivert, Ken Sorenson and Bernald Smith. Also attending were Rich Carlson, John Godfrey, Denise Layton and Kathey Pope.

Absent: Jason Stephens

1.0

The meeting was called to order September 13 at 9:05 a.m.

Welcome and Opening Remarks

1.1 Welcome and remarks from SSA Chairman Richard Maleady

Chairman Maleady welcomed the Board to Charlotte and advised the group he had not placed a written report in the bluebook because he had several things he wanted to discuss with the Board. He advised Directors had committed to serving the SSA and they should all take an active part in doing so. Chairman Maleady advised he was quite concerned with our declining membership and he has asked COO Layton to start sending names of people who have let their membership lapse to the Directors, so, they can contact the member and ask why they did not renew.

Chairman Maleady said the negativity and abuse of our volunteers had to be monitored and resolved by our leaders. He commented Hank Nixon has been proactive in stopping some of the negativity that had been posted on RAS, but Directors needed to step up and respond when they see negative things posted.

Chairman Maleady also advised the SSA needed new volunteers, and if any Director knew of any, to please contact the Growth and Development Committee.

1.2 Chairman Maleady introduced guests who were attending the meeting: Bob Jackson, Scott Fletcher, Pat Costello, Rick Lafford, Dody & Jack Wyman

1.3 Request for confirmation of accuracy of email addresses and other contact information for the current list of Officers and Directors ([as shown on the roster HERE](#))

2.0 Consent Agenda -- *Action Item*

[The Consent Agenda is to be considered as a "block" of items submitted to the board for approval or

disapproval as a group. A simple majority is required to pass Consent Agenda. Prior to the vote any Director may request that a specific item be removed from the Consent Agenda, in which case that item will be considered separately during the Board meeting. The purpose of the Consent Agenda is to deal with as many non-contentious items as possible in an expeditious manner, thus allowing more time for discussion and decision making on policy issues that require more deliberation.]

2.1 Approval of Past Minutes

[\(February 28 & March 1 Board of Directors' Meeting\)](#) Removed from Consent Agenda on Request on Director Brickner (Request by a single director sufficient to remove from consent agenda.) Brickner noted changes needed to be made. No action taken on this item at this meeting, so corrected minutes will need to be considered at next BOD meeting.

[\(February 27, 2014 ExComm meeting\)](#) Removed from Consent Agenda on Request of Director Umphres (Request by a single director sufficient to remove from consent agenda.) Umphres noted he believed changes needed to be made to these minutes. No action taken on this item at this meeting, so corrected minutes will need to be considered at next BOD meeting.

2.2 Awards Committee [\(Service award nominations\)](#) [\(Kellerman nomination\)](#) [\(Stone nomination\)](#)  
Motion made by Director Brickner to approve, Treasurer Umphres seconded. Motion carried.

Pat Costello of Costello Insurance made the presentation for the renewal. He has been the broker of record for the last 30 years and hopes to continue for another 30. Several questions and comments were effectively discussed. A list of benefits was requested and Mr. Costello will send that to COO Layton.

2.3

After above comments were made by Pat Costello Director Brickner moved to approve the consent agenda, modified as noted above. Director Umphres seconded. Motion carried.

3.0 Chairman's Report

Discussed above.

4.0 Chief Operating Officer's Report [\(report from Denise Layton\)](#)

Layton advised her report was online and she had nothing further to add, unless there were questions.

5.0 Treasurer's Report

Treasurer Phil Umphres had previously provided a detailed written report that included seven attachments, A through G.

[Attachment A](#): July 31, 2014 YTD Income Statement for SSA Operations

[Attachment B](#): July 31, 2014 Balance Sheet for SSA Operations

[Attachment C](#): July 31, 2014 Foundation "Tracker"

[Attachment D](#): Comparison of selected revenue and expense items for SSA Operations 2007-2013

[Attachment E](#): Proposed Dues Increase, to be effective 1-1-2015

[Attachment F](#): Proposed 2015 Budget for SSA Operations

[Attachment G](#): Letter from SSA Treasurer on financial and internal controls

After referring to his written report, Umphres then made an oral presentation on SSA's finances. The essential point of his remarks was that SSA has been going through a long period of declining revenues in almost all areas, particularly although not exclusively dues revenues because of declining membership. He noted that declining membership effected revenues in other ways as well, in that there were fewer members to buy merchandise and fewer magazine recipients, which in turn had an impact on advertising rates and revenue. On the expense side of the ledger, Umphres noted that Chief Administrative Officer Denise Layton has done an excellent job of holding down administrative costs, but wages and compensation costs (which include the increased costs of health insurance for the staff) had been inexorably rising.

Umphres noted that as a result of rising costs and decreasing revenues he predicted that SSA would finish 2014 with a small operating loss. He stated that he believed SSA had adequate cash on hand and would not need to draw on extra funds from the SSA Foundation beyond those already budgeted to cover any shortfall that did occur this year. However, going forward into 2015 and beyond, he stated that SSA would likely face gradually increasing annual shortfalls in net revenue. He stated that these shortfalls would need to be managed by one or a combination of the following:

1. Find additional sources of operating revenues, such as the dues increase that was being proposed by the Excomm.
2. Draw on available sources of income from the SSA Foundation, such as the Life Member Trust (which had not been tapped for several years) and the available income from the General Endowment Fund.
3. Eventually, when no other sources of revenue were available, it would likely be necessary to shrink the size of the organization's staff with a resulting reduction in services to members. However, he thought this extreme response was still a number of years away if it in fact ever was reached.

Umphres then noted several actions that had been taken by the Excomm and the SSA Foundation Trustees at the time of the Excomm meeting in Houston in July of this year. He stated he wanted the official BOD minutes to reflect these actions so there would be a formal record of what had been done. The actions include:

1. SSA's Excess Cash: In order to obtain a better return on excess funds and to increase the size of the General Endowment, the Excomm directed the transfer of \$90,000 from the general operating accounts to the General Endowment Fund, with the stipulation (requested by CAO Layton) that if needed for operating expenses these funds could be returned to SSA Operations.
2. Financial Support from Life Member Trust: It was agreed that for 2015 and years going forward, SSA would take approximately \$12 per Life Member from the Life Member

Trust. For 2015, the SSA Foundation Trustees had agreed with Treasurer Umphres that the amount to be taken from the trust was \$10,000.

3. Financial Support from General Endowment: It was agreed that for 2015 and years going forward, SSA would take begin taking monies from the General Endowment Fund as necessary to make up any remaining shortfall in net operating revenues. Because the amount that can be withdrawn from the General Endowment in any one year is limited by the SSA Bylaws and the SSA Foundation Bylaws, the amount to be taken each year will need to be coordinated with the SSA Foundation Trustees. For 2015, the SSA Foundation Trustees advised Treasurer Umphres that the amount available to be taken was up to \$45,000, but Umphres stated that he did not believe that much support was needed and that the proposed 2015 budget includes only a \$35,000 contribution from the General Endowment Fund.
4. Transfer between Kunda and General Endowment Funds. Lastly, Umphres noted that the Trustees and the Excomm members had agreed that there were excess finds in the Kunda Operating Reserve Account. Accordingly, a transfer of \$300,000 from Kunda to the General Endowment had been effected. After this transfer, as of July 31, 2014 the balance in the Kunda Fund was over \$302,000 and the balance in the General Endowment was over \$988,000. Increasing the size of the General Endowment would increase the amount of "available income" from that fund that would be available to support SSA operations in future years, Umphres noted.

Umphres next requested BOD action on several items:

5.1 Umphres moved that the BOD approve a dues increase that had already been considered by the Excomm, which had voted to recommend it to the BOD. The motion was Seconded by Director Brickner. Umphres noted that this dues increase was the first for SSA in over 12 years. He also noted that the percentage increases were modest and that a number of other aviation-related organizations had recently approved much larger increases. After discussion, the requested dues increase was Approved by the BOD by a vote of 16 in favor, 0 opposed. The dues increase approved is reflected in the following chart:

**SSA DUES CHANGES EFFECTIVE JANUARY 1, 2015**

	<b>2002 Dues</b>	<b>\$ Increase</b>	<b>% Increase</b>	<b>2015 Dues</b>
FULL MEMBER	64.00	5.00	7.81 %	69.00
FAMILY MEMBER	36.00	3.00	8.33 %	39.00
YOUTH MEMBER	36.00	3.00	8.33 %	39.00
SUBSCRIPTION ONLY	52.00	4.00	7.69 %	56.00
INSTITUTIONS	42.00	7.00	16.67 %	49.00
ASSOCIATE MEMBER	52.00	4.00	7.69 %	56.00
BUSINESS MEMBERS	200.00	16.00	8.00 %	216.00

LIFE MEMBERS (One-time payment)	1600.00	125.00	7.81%	1725.00
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5.2 Umphres moved the approval of the proposed 2015 Budget included with his Treasurer's Report as Attachment F as a draft budget, subject to revision and final approval by the Excomm at its planned December 2014 meeting. Motion was Seconded by Director Lubon. Umphres noted that the budget was a "breakeven" budget (no profit/no loss), but depended on the additional revenues discussed above from the dues increase and the additional contributions from the Life Member Trust and the General Endowment Fund. The Budget Motion was Approved – 16 in favor, 0 opposed.

5.3 Lastly, Umphres provided an informational update on the Cloudstreet project to which SSA had pledged \$35,000 in financial support. See Agenda item 5.3. Umphres reported that the Cloudstreet program was progressing and was close to receiving an air date. However, the producers were still hoping to have the show picked up by PBS as part of the national programming package, which would greatly increase the viewing audience but which would likely push the air date into 2015. SSA's contribution will be payable upon announcement of the air date and was included in the 2015 Budget just passed by the BOD.

## 6.0 Committee Reports

### 6.1 Chairman Richard Maleady (SSF, Administration)

#### 6.1.2 SSA Foundation (See Section 8.0)

#### 6.1.3 Editorial Advisory Committee – No Reports

#### 6.1.4 Naming and Memorials – No Reports

#### 6.1.5 SSF ([report from Rich Carlson](#)) – Propose to do another safety standown in 2016 at the convention. The topic will be clarified by the next board meeting.

SSF's new website is under construction at [soaringsafety.org/dl](http://soaringsafety.org/dl) Jen Owens will be the web maintenance and update technician.

*Action item:* 1 - Approval of one Trustee for SSF – Burt Compton for another 3 year term. Moved by Director Brickner, seconded by Treasurer Umphres. Approved – 16 in favor, 0 opposed. 2- Replace John Malumphy with Tom Johnson. Moved by Stephen Northcraft, seconded by Jim Garrison. Approved – 16 in favor, 0 opposed. Cause for replacement is non performance. This replacement is in compliance with the bylaws. Trustees as of this vote: Rich Carlson, Chair; Ron Ridenour, Treasurer; Stephen Dee, Burt Compton, Tom Johnson, Trustees.

#### 6.1.6 Administrative

### 6.2 Vice-Chair and Treasurer Umphres (Financial, Awards)

6.2.1 Budget and Finance Committee (incorporated into 5.0 above)

6.2.2 Report of Nominating Committees

Director Umphres, Chairman of the Nominating Committee, presented the report of the Committee and the slate of Directors at Large, Officers and Vice-Chairs who were being recommended. He noted that the slate recommended re-election of all existing officers and directors, with one exception: that of outgoing Director At Large Peter Smith whose position is to be filled by Scott Fletcher in the proposed slate. After presenting the slate, Umphres noted that if there were other nominees presented he would suggest to the Chair that we defer voting until the last item on the Agenda in order to give Directors a chance to discuss the candidates over lunch and during breaks. However, if there were no other nominees for any position, he would suggest that the slate be accepted by acclamation. There being no additional nominees presented or objections raised to any candidate, Umphres Moved that the slate be adopted by acclamation. Director Brickner Seconded. Motion carried, 16 in favor, 0 opposed. The new Directors at Large, Officers, and Vice-Chairs (who, with the Chairman, form the Executive Committee or Excomm) are:

Directors at Large (seven positions, listed alphabetically)

Linda Draper-Hivert  
Scott Fletcher  
Art Greenfield (proposed by NAA)  
Richard Maleady  
Ken Sorenson  
Jason Stephens  
Phil Umphres

SSA Board Chairman -- Richard Maleady

SSA Board Treasurer -- Phil Umphres

SSA Board Secretary -- Frank Whiteley

Vice-Chairs, Elected to Executive Committee

Ken Sorenson (First Vice-Chair)  
Phil Umphres  
Geoff Weck  
Frank Whiteley

Umphres thanked Director at Large Peter Smith, who will not be returning to the BOD in 2015, for his many years of service on the Board.

6.2.3 Awards Committee ([proposed limitation on awards](#)) – Recommended limit to three of the same awards. Moved to approve by Director McDaniels. Treasurer Umphres moved to amend the

motion as follows: No person or organization can receive the same award two years in a row. In favor as amended – 15 in favor, 1 opposed. Motion carries.

Group Insurance – John Godfrey, SSAF Chair, asked what the dip in accident claims might be attributed to for 2013.

6.2.4 Bad weather may have hindered flights. The Soaring Safety Foundation and Costello Insurance work together to understand what the safety issues are. They work from different reporting records. Soaring Safety Foundation works from NTSB, Costello Insurance works from claims. NTSB does not show “non” flight accidents, No fire losses, no assembly of parts accidents, etc. Frequently there are less accidents reported from contests.

6.2.5 Badge and Record Committee

6.3 First Vice Chairman, Ken Sorenson

6.3.1 Contests

6.3.1a Contest Committee report ([report from John Good](#)) John Good is the new Chairman of the Contest Committee.

6.3.1b Rules Committee report ([report from John Godfrey](#)) John Godfrey is the new Chairman. Chairman Godfrey stated the Junior Contest Program has had good results this summer. This committee will be very busy in the month of November.

6.3.1c Site Selection – Director John Lubon is the new Chairman. 2015 and 2016 contest sites are set, only one is not. Director Sorenson clarified the site applications for Regional contests can be submitted online, however, the National contest applications are not accepted online because board approval is required.

6.3.1d Handicapping – Tim McCallister is the new Chairman.

6.3.2 *Action item:* Tim Taylor Protest from 15-Meter National Contest

([Tim Taylor protest-appeal](#)) ([Protest-Appeal Ruling](#)) ([Protest Documentation](#)) – SSA Executive committee recommended denial of this appeal. Motion to accept the Executive Committee’s recommendation for denial of Mr. Taylor’s appeal was made by Treasurer Umphres, seconded by Director Northcraft. Approved with 15 in favor, 1 opposed.

6.3.3 Trophy Committee – Karl Streideck is chair. Director Peter Smith reported most of the trophies which the National Soaring Museum has been trying to gather to keep safe at the Museum have now been located and sent to the Museum. In an attempt to keep trophies in good condition, it was decided they would be housed in the Museum and members winning these trophies will receive a plaque (which has a studio quality photo of the trophy), and winners will be able to keep the plaques for a lasting memory (trophies had to be returned each year). Treasurer Umphres

confirmed with Director Peter Smith that there are funds available in the Foundation Trophy bucket to pay these expenses.

- 6.3.4 U.S. Team ([report from Rick Walters](#)) – Highest performer was Sean Franke in Club Class. Talk of shifting funding from travel to training pilots.

- 6.3.5 Sailplane Tracking ([report from Director Bush](#)) – Name of the app is “Glidetrack”. Kudos to the designer, Pedja Bogdanovich. Pedja will be working out a few bugs this winter. If 100% of pilots in a contest participate – the scoring can be done through Glidetrack. No checkins or downloads would be necessary. Can also be used for training locally for playback of flights with instructors and students. ALL TOTALLY FREE.

- 6.4 Vice Chair, Geoff Weck (Government Liaison and G&P)

- 6.4.1 Director and Special Advisor Stephen Northcraft (Governmental Regulation, Airspace and International Soaring Groups)

- 6.4.2 Government Liaison Committee ([report from Director Northcraft](#)) ([SSA response to FAA](#)) ([Federal Register information](#)) ([Letter re-Bylaws](#)) - Director Northcraft reported during the meeting the Pegasus life has been extended to 4,500 hours, thanks in large part to Bob Carlton who worked on this issue.

Cal City got a Part 13 final determination on no violation of grant assurances. Gliders were not excluded from the airfield. Director Northcraft emphasized the importance of clearly submitting your input prior to finalization of the deal.

Blanik L-13 is dead in the US. FAA is going to do nothing for it. The European fix is not looking to be popular due to excessive cost.

Building a plane is now considered “non-aeronautical” use of a hangar.

- 6.4.3 Representation Committee & Representatives ([report from Bernald Smith](#)) – Honorary Vice Chair Bernald Smith was in Tampa, FL for the CGSIC meeting in route to the SSA Board Meeting. UAV and UAS big brother is ALPA. Trucker jammers are affecting aircraft equipment – loss of internal navigation as well as loss of external link. ADSB or FLARM is being considered as a requirement in light the of jammer/spoofers issues.

- 6.4.4 Technical Committee

- 6.4.5 Growth & Development ([report from Committee Chair Andreea Alexandrescu](#))  
Digital Media Working Group, addendum to Growth & Development report ([report from Frank Whiteley](#)) – Encourages Facebook use as an effective tool for shared techniques. Director Weck stated the response was good at the EAA events, 200 visitors per day all week but the last day. Results are tough to measure.

- 6.5 Vice Chair & Secretary Frank Whiteley (Clubs, Governors and Youth)

- 6.5.1 Clubs and Chapters ([report from Frank Whiteley](#)) – Once again encourages Clubs and Chapters to use Facebook.
- 6.5.2 State Governors and Record Keepers ([report from Frank Whiteley](#)) – Still have some longtime vacancies. WVA.
- 6.5.3 Electronic Communications Committee
- 6.5.4 Youth Committee ([report from Tony Condon](#))
- 6.5.5 Collegiate Soaring Association ([report from Frank Whiteley](#)) – Received a donation of a winch launcher which is in need of an engine overhaul.
- 6.5.6 COBM ([report from Frank Whiteley](#)) – Still dormant.
- 6.5.7 Affiliates & Divisions ([report from Peter Smith](#)) ([report from WSPA](#))

## 7.0 Regional Director Reports

- 7.1 Region 1 and 3 ([report from Ann Lafford](#))
- 7.2 Region 2 and 4 ([report from Jim Garrison](#))
- 7.3 Region 5 ([report from Lane Bush](#))
- 7.4 Region 6 ([report from John Lubon](#))
- 7.5 Region 7 ([report from Geoff Weck](#))
- 7.6 Region 8 ([report from Stephen Northcraft](#))
- 7.7 Region 9 ([report from Frank Whiteley](#))
- 7.8 Region 10\_
- 7.9 Region 11 ([report from Jay McDaniel](#)) – Perlan Project – please let Director McDaniel know if we receive a request for funds.

7.10 Region 12 ([report from Cindy Brickner](#))

- 8.0 Soaring Society of America Foundation – Moved by Chairman Maleady to approve the minutes of the last meeting. Seconded by Director Weck. Approved – 16 in favor, 0 opposed.

8.1 Report of the SSA Foundation Trustees – Treasurer's Report: \$3.4 Million in SSAF Trust as of August 31, 2014, allocation remains on target of 60% equity and 40% fixed income. YTD return of 6.33% - on target. A market correction is coming. No recommendation from our investor for allocation changes. SSAF has adopted that funds can ONLY be sent to Hobbs. Motion made by Chairman Maleady to approve the Treasurer's Report, seconded by Treasurer Umphres. Approved – 16 in favor, 0 opposed.

8.2 Convene meeting of SSA Foundation to conduct Foundation business (SSAF agenda) - Dave Pixton was appointed to replace Penn Smith with the term ending as of 2015. Heinz McCarther will fill this position beginning 2015 with a 3 year term. Director Lubon's 3 year term was renewed for another 3 years. A motion to approve was made by Treasurer Umphres, seconded by Director Garrison. Approved – 16 in favor, 0 opposed.

8.2.1 Any other competent Foundation Business – The tracker will be available to the public through the SSAF's website.

8.3 Adjourn meeting of Foundation and reconvene meeting of SSA Board of Directors – Motion to adjourn by Director Brickner, seconded by Director McDaniel. Adjourned – 16 in favor, 0 opposed.

9.0 Other Competent Business

Chairman Maleady announced the resignation of Chuck Coyne, SSA Magazine Editor, effective March/April. A search committee is to be assembled.

Date and time of next Board of Directors' Meeting –DATE: February 28, 2015, LOCATION: Greenville, SC

10.0 Adjournment

2:30 PM - Motion to adjourn by Director Hivert, seconded by Director Brickner. 16 in favor, 0 opposed.