

EXECUTIVE COMMITTEE MEETING
HOUSTON, TEXAS
JULY 12, 2014

The Executive Committee met in Houston, Texas and the meeting was called to order by Chairman Maleady at 9:00 a.m. Those in attendance were: Richard Maleady, Ken Sorenson, Frank Whiteley, Phil Umphres, and Geoff Weck. Also attending were John Godfrey and Denise Layton.

The first order of business was review of open action items. Vice Chair Whiteley advised the only open action item was concerning someone to oversee the badge and record committee. It was previously reported Jay Campbell would do it, but due to an accident had withdrawn his name. Chairman Maleady advised he was going to ask Wes Lineberry to oversee the committee.

The next item of business was approval of the February 27, 2014 Executive Committee meeting. Vice Chairman Umphres moved to approve, seconded by Vice Chair Weck and the minutes were approved unanimously.

The next agenda item concerned an AOPA Flying Club guide. Vice Chair Whiteley advised he'd followed up with Brenda Tibbs at AOPA in May and there was no update and he'd requested another update but had yet to hear back. He will keep following up on this. The situation is that the FAA has an Aircraft Circular and an FAA Order that are inconsistent in guidance to flying clubs. The AC makes suggestions on the cost of instruction and other services in clubs. The FAA Order says that club instructors and maintainers may not charge for services, but may work for credits. This is not frequently enforced. AOPA wants it modernized. SSA should endorse this effort. Changes could be important to how flying clubs on public airports organize themselves.

The next item of business concerned the Soaring Safety Foundation. It was discussed that Denise Layton and Kathey Pope (financial manager in Hobbs) oversee their expenditures. It was discussed they recently overdrew their bank account and SSA loaned them the money to cover the outstanding checks. The ExComm agreed trustees of the SSF needed to be educated on planning for projects to insure they have money in their account. SSF trustees need to know we can't always get money to them right away, and they should plan accordingly.

During this discussion John Godfrey asked when Kathey Pope sent him a request for funds who should be approving the requests. It was decided she would copy Denise Layton on all requests for money which would be considered as approval from Denise.

Following a general discussion on the need to oversee large expenditures of SSA monies, Umphres moved that all individual expenditures by SSA or by any group spending either SSA funds or funds under the control and management of the SSA Foundation, in the amount of \$10,000 or more, must get prior written approval from the SSA Treasurer. Vice Chair Whiteley seconded the motion and it was passed unanimously.

The next item of business was approval of the 2015 contests as presented by Vice Chair Sorenson. The proposed sites for 2015 are:

18-Meter/Open/Club Hobbs, New Mexico

Previously approved 2015 sites are:

15-Meter/Standard Elmira, New York
Sports Waynesville, Ohio

Umphres moved to approve the 2015 contest site, seconded by Sorenson and unanimously approved.

The next item to come before the Committee was approval of 2016 contest sites. The proposed sites are:

18-Meter Bermuda High Soaring, South Carolina
Club Wurtsboro, New York
Open/15-Meter/Standard Nephi, Utah
Sports Minden had requested this, but no paperwork had been submitted.
 Hobbs intends to bid on it.

Umphres moved, Whiteley seconded to approve the recommended contest sites, except for the Sports Class. The motion was approved with Chairman Maleady abstaining.

Agenda item 6 - update concerning proposed Pan American Championships. It was discussed this contest is behind in getting ready for this contest. After discussion, Chairman Maleady agreed to send a letter to Sarah Arnold, the organizer, asking for her to send a budget, have a website in place, key personnel listed, site layout, plan and timeline. She will be given until before the fall Board of Directors' meeting to accomplish these tasks.

Agenda item 7 was general discussion of the National Soaring Museum and its current governance and financing. This topic had been the subject of informal discussion among the Ex-comm at dinner the previous evening, during which it was agreed that, while it was not SSA's job to manage the Museum, it was SSA's responsibility to insure that SSA appointed competent and conscientious Trustees to the three Trustee slots allocated to SSA. It was agreed that the current situation at the Museum required that SSA act without delay to fill the two vacant SSA Trustee slots.

The next item for consideration was agenda item 8 - the appointment of two trustees to the NSM. Umphres advised Dody Wyman had advised him that she would serve. He moved that Dody Wyman be appointed to fill the vacant Trustee's position expiring 5/2017. The motion was seconded by Whiteley. The motion was approved unanimously contingent upon her joining SSA if she was not already a member. Umphres was to contact her and advise her of her appointment.

There was further discussion about other possibilities to serve as a trustee. Mike Koerner's name was mentioned and Layton was to contact him and ask if he would be interested in serving in that capacity. She will export his decision back to ExComm.

Agenda item 9 was discussion of a problem which occurred during a national contest concerning Rule 9.13 which allows for a pilot being barred from contest flying if deemed unsafe. It was discussed that the investigating committee into this incident had unanimously voted that pilot Frank Paynter not be allowed to be a contestant in any 2014 contests. It was further recommended by the committee he be excluded from flying in any nationals, the Seniors or the regional in Perry for 2015. Vice chair Weck moved to accept the original recommendations of the investigating committee, seconded by Chair Maleady. Vice Chair Umphres moved to amend the motion, stating he can fly in a contest with Karl Striedieck, but after discussion withdrew his motion before it receiving a second. Vice chair Sorenson abstained from the vote, and the recommendations were passed unanimously by the remaining members of the Excomm. It is noted that John Godfrey was not present nor did he participate in any of these discussions.

Vice Chair Sorenson advised the group that Frank Paynter can petition the SSA board, through the contest committee, to lift these sanctions.

Item 11 on the agenda concerned educating our affiliates and divisions, as well as chapters and clubs, concerning protecting their organizations against embezzlement. Vice Chair Umphres had drafted a letter to send out. After discussion, it was decided Umphres would work with Layton to get this information distributed.

The next item of business to come before the ExComm was discussion of insurance limits for pilots. Currently, Costello provides \$1,000,000 in coverage and he had questioned if pilots requested more coverage for a particular event, if the SSA agreed with this or not. After discussion, it was decided Chairman Maleady would contact Costello and discuss his recommendations and the best plan for the SSA's insurance coverage.

The next item of business was agenda item 13, addressing various financial issues that Treasurer Umphres wished to bring to the attention of the Excomm and some of which required Excomm action. The first item discussed by Umphres was informational and did not require action. He simply pointed out the need for the ExComm to start thinking what the SSA will do when COO Layton decided to leave the organization. He advised the group this was something they should begin planning for.

John Godfrey, acting on behalf of the SSAF, discussed endowment funds, the Kunda endowment and in moving some money from the Kunda fund to the general endowment, which was generally agreed upon by the ExComm to be a wise move, although no formal action was proposed or taken at this time.

At this time, the meeting recessed for lunch.

After the meeting resumed, Vice Chair Umphres took the floor and led the discussion on the following financial items:

1. Cash Management

Umphres discussed the benefits of SSA exercising better cash management and not keeping as much cash in bank accounts. After discussion it was agreed that no formal procedures would be adopted, but rather, by agreement, SSA is to transfer from time to time as much money as COO Layton thinks prudent to the SSA Foundation to be placed in the General En-

dowment Fund. The Foundation Trustees have agreed that if SSA needs any of the transferred funds back SSA can have them, when and as needed. This will do two things: (1) it will get a better return on SSA's surplus operating funds and (2) it will reduce the amount of excess cash appearing on the SSA Operations balance sheet. The funds transferred out of SSA Operations will be accounted for as an expense on the income statement, under the Contributions reporting group, as "Transfer of SSA Assets to Foundation."

2. Transfer of Funds from Kunda Reserve to SSA General Endowment Fund

The attendees discussed Umphres's suggestion that, in the not too distant future, SSA may have to rely on regular withdrawals from the income realized by SSA's General Endowment fund to support ongoing operations. John Godfrey suggested that, in anticipation, money could be transferred from the Kunda Operating Reserve Fund to the General Endowment Fund. Umphres then, moved, seconded by Weck, that SSA shall transfer, effective immediately, the sum of \$300,000 from the Kunda Operating Reserve to the SSA General Endowment Fund. Said amount shall be treated as "quasi-endowment," with the income from the amount available to support SSA operations, under such rules as may exist or hereafter be established for the use of General Endowment Fund monies for SSA operations, and the principal not to be spent or invaded without formal approval of the SSA BOD. The motion carried unanimously.

3. Support for Operations from Life Member Trust

Umphres noted that SSA had not had to withdraw money from the Life Member Trust Fund for several years to cover the cost of servicing the Life Members, but that he felt in 2015 it would be necessary to do so. After discussion, Umphres then moved, seconded by Vice Chair Sorenson, that SSA Operations, as part of the budgeting process for the upcoming budget cycle, shall include a withdrawal of \$12 per life member, more or less, from the SSAF Life Member Trust fund, calculation to be based on the number of life members on SSA's rolls as of July 1 of the prior year. The exact amount of the withdrawal may be rounded for ease of accounting and administration. This procedure shall begin with the 2015 budget cycle and shall continue until further action by the SSA BOD. This procedure is subject to approval by the SSA Foundation Trustees. The funds in question shall be budgeted to be and shall actually be transferred quarterly (rather than monthly or annually) and shall be transferred without regard to whether they are needed to satisfy SSA's immediate cash flow needs.

4. Future Life Member sales

Umphres noted that in recent years some Life Memberships appear to have been sold for \$1,600 and the proceeds put in the general operating account and realized as current income rather than being transferred to the Foundation's Life Member Trust and accounted for as deferred revenue. To reduce the chances of this occurring in the future, Umphres moved, seconded by Sorenson, that for any Life Memberships sold after July 1, 2014, the entire \$1600 membership fee collected (or such other membership fee should the amount be changed in the future) shall not be deposited into SSA's operating bank account and treated as current income, in whole or in part, but rather shall be treated in its entirety as deferred income, shall be initially deposited into the SSA Restricted bank account, and shall at the earliest opportunity be transferred to the SSA Foundation and added to the Life Member Trust. Withdrawals shall thereafter be governed by the rules and procedures established for using the Life Member Fund to support

SSA Operations generally. Recognition of the deferred income as current income in future years shall be in accordance with the rules and procedures directed by SSA's outside CPA firm. The motion passed unanimously.

4. Support for Operations from General Endowment Fund

Continuing discussion of the need to insure there was not a budget shortfall in 2015, Umphres moved, seconded by Vice Chair Whiteley, that SSA Operations, as part of the budgeting process for the upcoming budget cycle, shall include such funds from the SSA General Endowment as may be necessary to cover any anticipated operating deficit after first accounting for all other sources of anticipated revenue and expenses. This procedure shall begin with the 2015 budget cycle and shall continue until further action by the SSA BOD. This procedure, including the precise amount of money from the General Endowment to be made available to SSA annually, is subject to approval by the SSA Foundation Trustees. The funds in question shall be budgeted for withdrawal quarterly (rather than monthly or annually). However, the funds authorized to be withdrawn from the General Endowment Available Funds shall be transferred only as may actually be needed to satisfy SSA's immediate or anticipated cash flow needs. Funds authorized, but not immediately needed, need not actually be withdrawn from the Foundation. The SSA COO shall consult with the SSA Treasurer in determining the amount and timing of funds to be transferred and all such transfers shall be approved by the SSA Treasurer. The motion carried unanimously.

5. Due Increase

The next item of business was discussion of a dues increase. Vice Chair Umphres advised the Committee he felt it was time to have an increase to help support operations of SSA. There has not been an increase in several years, and he hoped the Committee would act in favor of one. If so endorsed, the Treasurer will work with COO Layton on educational materials for the Board and should the Board approve this, then for the full membership.

The proposed increase is:

Full member - \$69.00
Family member - \$39.00
Associate and subscriber - \$56.00
Youth membership - \$39.00
Institutions - \$49.00
Business membership - \$216.00
Life membership - \$1600

Umphres moved the ExComm accept the proposed dues increase, seconded by Vice Chair Sorenson. Vice Chair Whiteley moved to amend life membership to \$1,725, the same percentage rate of increase as the full membership. The amendment was accepted by Umphres without objection and then the proposal, as amended, was passed.

Vice Chair Umphres advised the Committee it was time to start thinking about the upcoming year's Eagle Fund Campaign theme. He suggested a possible theme would be to promise to use at least some of the money raised to improve the SSA website and to do a better job of keeping content fresh by hiring someone to work for SSA as a part-time website editor. This

person would work under the supervision of Doug Easton. COO Layton was assigned to contact Doug Easton about having someone to help keep the website refreshed and this person would work under Doug's supervision. No formal action was proposed or taken at this time. Rather, the Committee will think about this and other opportunities and themes for the Campaign.

Chairman Maleady discussed the budget process and how he wanted it done. He would like to have the Board give preliminary approval at their fall meeting with the ExComm giving final approval in December.

At this time Chair Maleady asked if there was any further business to bring before the Committee. Vice Chair Weck advised he had worked on an MOU between SSA and EAA and asked if everyone agreed with it he would follow up with EAA to get it signed. All members of the ExComm agreed with its contents.

Vice chair Weck asked if the SSA bylaws should be changed. He recalled a member asking a question at the last Membership Meeting and he questioned whether the bylaws should be changed to conform to the member's request, which concerned lobbying efforts. After a lengthy discussion concerning our non-profit status and the way the tax laws read, Weck agreed with the Committee the bylaws should not be changed.

The next item of discussion was brought up by Vice Chair Whiteley. He advised on May 3rd CAP had changed CAPR 60-1 to require non-CAP winch and ground launch operators to be endorsed as CAP compliant by SSA, aero club, etc. SSA won't do this. A club or chapter could do this, but there is no one or agency available to endorse a commercial winch or auto tow operator. He advised there needs to be a CAP liaison person. He will monitor this and keep the Board informed.

Chair Maleady advised he and COO Layton had been talking with our editor concerning a digital magazine. No decisions need to be made at this time. They are continuing to follow up with the Editor and will see if he will contact other organizations who currently offer a digital magazine to see if they have had any problems or concerns about it. This will be turned over to the Growth & Development Committee. This could be sold to members, or this could be an added benefit.

The next item of business came from COO Layton. She advised OSTIV wanted to award Professor Fred Thomas a \$500 stipend for the Klemperer award. After discussion, Vice Chair Umphres moved to approve the expenditure, seconded by Chairman Maleady and passed unanimously.

At this time, with no further business coming before the Executive Committee, Vice Chair Umphres moved to adjourn, seconded by Vice Chair Sorenson and passed.

The next meeting of the Executive Committee will be September 12, 2014 in Charlotte, North Carolina.