

**THE SOARING SOCIETY OF AMERICA, INC.**

**BOARD OF DIRECTORS' MEETING**

**RENO, NEVADA**

**FEBRUARY 28 AND MARCH 1, 2014**

The meeting was called to order February 28 at 8:00 a.m.

Attending the meeting were: Richard Maleady, Frank Whiteley, Ann Lafford, Lane Bush, Geoff Weck, Jim Garrison, John Lubon, Stephen Northcraft, Steve Leonard, Jay McDaniel, Cindy Brickner, Phil Umphres, Peter Smith, Linda Draper-Hivert, Ken Sorenson and Bernald Smith. Also attending were Rich Carlson, John Godfrey, Denise Layton and Kathey Pope (from SSA headquarters who is now assigned the task of taking minutes at Board meetings).

Absent: Art Greenfield

Chairman Maleady welcomed the new SSA Directors, Lane Bush, Geoff Weck and Linda Draper-Hivert. New Director Jason Stephens was ill and unable to attend the meeting. Maleady also welcomed visitors to the meeting Mike Abernathy, and Matthew Murray from the Cloudstreet Project.

Pat Costello from Costello Insurance normally attends meetings, but advised he was unable to attend since he was manning a booth in the exhibit hall. He sent his regards to the Board and advised thank you for 30 years of service overseeing SSA's insurance needs.

Chairman Maleady advised the first order of business was approval of the consent agenda. Vice Chair Sorenson moved to approve and Director Garrison moved to second. The Consent Agenda was passed unanimously.

The next order of business was reports. Chairman Maleady advised his report was in the book and he had nothing further to add, except his desire to advise the Board that Denise Layton had been promoted to Chief Operating Officer.

Denise Layton's report was the next item and she advised she had nothing further to add. Vice Chair Sorenson advised that Cheri Long was leaving the SSA and he wanted to say he appreciated her work on contests.

Next were reports from Vice Chair Umphres concerning SSA finances. Umphres advised the Board he had been reviewing finances, and was planning a trip to SSA headquarters to sit down with the accounting manager and Denise Layton to review finances, policies and procedures.

Vice Chair Umphres presented the budget for approval. He advised it was missing contributions from the SSA Foundation from the endowment fund or the life member trust. He advised if money from the Foundation were added into the budget we would be positive for the year. He thanked John Godfrey for his review and Foundation interaction.

A dues increase was discussed, but Vice Chair Umphres advised he did not feel the society would support one at this time, and he wanted time to thoroughly review the SSA finances.

Frank Whiteley moved to approve the budget, seconded by Vice Chair Sorenson. The motion carried.

Vice Chair Umphres advised in his review of finances, he also would look at the merchandise sales. It is an important revenue source and we still need that income stream.

The next item of business was item 5.4 (motion by Umphres regarding allocation of General Endowment Fund into "restricted" and "available" balances and regarding designation of future unrestricted gifts to SSA as restricted general endowment contributions.) Umphres advised that the motion was withdrawn for the reason that he believed in retrospect that the objective of the motion had already been accomplished through board action in previous years.

The next item of business was agenda item 5.3, motion by Umphres regarding clarification on allocation and use of the \$1M gift the SSA had received in 2011. Umphres stated his motion was necessary because the minutes of prior board meetings did not contain any explanation of how the money was to be spent and he believed it was important that there be an adequate corporate record of the board's action on the largest single gift SSA had ever received. Umphres moved item 5.3 be approved, seconded by Brickner.

The motion, set out below, was approved .

On May 3, 2011 the SSA received a cash donation in the amount of \$1,000,000 from a donor who wishes to remain anonymous. The donor requested that Director Dianne Black-Nixon recommend a detailed allocation of the donated funds because she would “understand from past gifts how to recognize and leverage his generosity”. After consultation with the Chairman and Treasurer of the SSA Board of Directors, and Chairman and Treasurer of the SSA Foundation, Director Black-Nixon made recommendations back to the donor. The donor, well acquainted with the SSA and its operations, approved the recommendations, which in turn were approved by the SSA BOD at its fall 2012 BOD meeting in Kitty Hawk, NC under Agenda item 5.3.

By oversight, the official minutes of the fall 2012 BOD meeting do not clearly state the decision that was approved by the BOD. In order to insure that a full and complete corporate record is made of the disposition of the \$1 million gift, ***THE SSA TREASURER HEREBY MOVES*** that the BOD adopt and the reaffirm the following disposition of the \$1,000,000 donation received on May 3, 2011:

1. \$75,000 of the total shall be placed in the SSA Foundation investment account in an endowment account designated “US Team Fund - General,” (to distinguish this gift from the previous Robertson and Wood endowment gifts.) The entire \$75,000 shall remain in the endowment amount with only the income from the endowment amount available to support US Soaring Team activities in amounts and for such

purposes as the US Team Committee shall from time to time deem prudent and appropriate.

2. \$50,000 of the total shall be placed in the SSA Foundation investment account in an endowment account designated "US Team Fund - Club Class Endowment." The entire \$50,000 shall remain in the endowment amount with only the income from the endowment amount available to support US Soaring Team Club Class activities in amounts and for such purposes as the US Team Committee shall from time to time deem prudent and appropriate.
3. \$50,000 of the total shall be placed in the SSA Foundation investment account in an endowment account designated "US Team Fund - Junior Team Endowment." The entire \$50,000 shall remain in the endowment amount with only the income from the endowment amount available to support US Soaring Junior Team activities in amounts and for such purposes as the US Team Committee shall from time to time deem prudent and appropriate.
4. \$75,000 shall be placed in the operating bank account supporting the SSA Organizing Committee overseeing the planning and operations of the 2012 World Soaring Championship in Uvalde, TX, the entire amount to be available for expenditure in support of that event in such amounts and for such purposes as the SSA Organizing Committee overseeing the event shall determine prudent and appropriate. Any of the funds designated for this purpose but which are not ultimately expended in support of the 2012 World Soaring Championship shall be placed in the SSA General Operating Bank account at the end of the Championship and may be expended, without other restriction, in support of SSA operations and activities as determined to be reasonable and prudent by the SSA Board of Directors, operating either through the Full Board or through the Board's Executive Committee.
5. \$55,000 shall be placed in the SSA main operating bank account and shall be used for the following purposes set out below.
  - Upgrading of the office computer equipment and software,
  - Repairing of the previous water damage and repainting and refurbishing of the office interior,
  - Repair or replace the office heating and air conditioning systems,

Control and disbursement of these funds shall be overseen by SSA Chief Administrative Officer. After completion of these projects, any funds remaining of the designated \$55,000 shall remain in the SSA main operating fund account and shall be used for general operating purposes.

6. \$50,000 shall be placed in the SSA main operating account and shall be used in support of SSA marketing programs. Control and oversight of these funds shall be the responsibility of the SSA Chairman, who shall consult with the SSA volunteers charged with the promotion and marketing of the sport of soaring in determining how best to expend these funds. It is the wish of the Board that all of these funds be expended promptly for promotion and marketing purposes at such speed and pace as the SSA Chairman deems reasonable and prudent.
7. \$250,000 shall be placed in the SSA Foundation investment account in an account labeled "SSA Office Relocation." The entire amount of these funds, as well as the income therefrom, shall be available to support the expenses of moving the SSA headquarters and offices from Hobbs, NM to another location, if and when such a move occurs. It is expressly understood that if, after four years from the date of approval of this motion, that a move from Hobbs has not been approved as being in the best interests of the SSA and initiated, the Full Board may then determine and designate that these funds, in whole or part, may be used for another purpose important to the well-being of the Society. In the event the SSA headquarters and offices do not move from Hobbs by May 1, 2018, then the entire balance of this fund existing at that time shall be transferred to the SSA General Endowment Fund, with the amount of \$250,000 being treated as an unrestricted endowment asset and any accrued but unspent income being added to the available income balance in the General Endowment Fund.
8. The remaining amount of the gift, in the amount of \$395,000 shall be placed in the SSA Foundation investment account and shall be added to the SSA General Endowment Fund. The full amount of \$395,000 shall be treated as part of the unrestricted endowment assets of the SSA and only the income from the endowment amount shall be available to be expended for such purposes as the SSA Board of Directors may from time to time approve.

The above designations shall be considered effective as of the date of the original gift and not as of the date of approval of this motion.

The SSA Secretary is directed to place the content of above motion, verbatim, in the minutes of this BOD meeting.

Director Northcraft commented there were other occasional omissions in the Minutes. He suggested these needed to be amended or noted in those minutes that we have clarified in this or at a later meeting.

Chairman Maleady advised the next item of business was committee reports. The SSA Foundation will report later in the meeting.

Next report, 6.1.3 Denise Layton advised a new editorial advisory committee was in place. One conference call had already been accomplished and Chuck Coyne had explained to all members of the group what their role would be. Rich Carlson asked if that meant he was left out of reviewing safety and training articles. Layton advised that would stay the same as it is now and all safety and training articles would be sent to him for review.

The next committee report was the Soaring Safety Foundation. Rich Carlson advised his report was in the book. He said the SSF was producing videos and they were going on the website and YouTube. He advised \$8,700 had been spent so far to produce these videos.

Rich Carlson advised the chairman of the Growth & Development committee, Andreea Alexandrescu, had contacted him advising a Florida aviation network was filming at the Seniors Competition and wanted a financial donation. She advised they were asking for \$1,500 and she advised Seminole Lake Gliderport would pay half if the SSF would pay half. Rich questioned what this was for and if a good investment. It was discussed that the company would be filming the launch, interviewing people and recording safety talks. They will give SSA the raw footage which could be used later for something. After discussion, Growth & Development committee will split the half with SSF.

Next item of business was a report from the Budget & Finance committee. Chairman Maleady would like to change the budget cycle to have the final budget completed by the fall board meeting. If final changes need to be made, the Executive Committee can approve before the end of the year.

Item 6.2.2 (Awards Committee report.) Director McDaniel requested the board change instructor awards to limit individuals to only being able to win the award for two years. After much discussion, Director McDaniel withdrew his request.

Vice Chair Umphres went through remaining reports under his guidance, with no comments.

The next item of business was section 6.3 (Contests). Vice Chair Sorenson advised there were no major changes to the rules and he moved the rules be approved, Director Northcraft seconded and the motion passed unanimously.

Vice Chair Sorenson advised the Team Committee was working on team selection procedures for the 13.5 meter class and a recommendation for funding the 13.5 meter class. The plan is to fund one pilot and any other pilots would have to self-fund.

The next item of business was item 6.3.4 (Sailplane tracker). Director Bush reported the first year went well and the general map worked flawlessly. He advised the sailplane tracker was the fourth highest hit page on the SSA website. It is receiving 50,000 unique hits per year. Director Bush advised improvements were being worked on and Pedja Bogdonovich is still maintaining the server and doing the programming at no cost to SSA. Vice Chair Sorenson commented this was a tremendous member benefit.

Director Bush advised the next project he wanted to work on was blip maps like Dr. Jack does. As this develops he will report further to the Board.

The next committee report was from Director Northcraft. Northcraft added there were several places losing a battle concerning airport usage. He advised he has talked to the FAA and state departments

shouldn't re-interpret FAA guidelines, but the FAA is reluctant to step in and do anything. He advised he had invited five government people to attend Reno, but none were attending.

Northcraft advised Gerry Molidor was working on a program letter for standardization, but he didn't have an update at this time. He advised new guidance has created confusion by updates of FSDO direction. When asked if SSA could do anything, since members perceive us to have lawyers and representatives like AOPA does, Northcraft responded that AOPA may have a member in a certain location and when there is a problem in that location they contact that person. This is not necessarily a lawyer, just a member, but our members perceive it as AOPA having representatives in every city, which isn't true.

The Board recessed for a short break and after returning received the report from the Growth & Development Committee. Andreea Alexandrescu, the Chairman of this committee, advised the Committee had so far approved having a presence at Sun n Fun, an RC show in Toledo, Ohio and will also have a presence at the big AMA event in South Carolina. Her report also advised the Committee had developed a new program SAM (Sponsor a Member). This new program is being unveiled at the SSA membership meeting. Her report also advised the Committee had been reactivated and had several new ideas which would be worked on this year.

At this time, Chairman Maleady recognized a visitor in the gallery. Doug Easton, our webmaster joined the meeting. Doug was advised how much his efforts were appreciated.

Director Smith gave his RTCA report. He advised that SSA had renewed their dues in OSTIV and was renewing their RTCA membership so the connection in Washington will remain intact and visible. Smith also advised the UAS/UAV debate was still going. This needs to be kept up with. He advised the Next



Com, ADSB won't even make 2020 for operational status. Smith advised the Flarm team was working on integration of signals.

The next item of business was a presentation from Mike Abernathy and Matthew Murray concerning the Cloudstreet Project. They advised this project has been a long process. They have been working on it for the last eight years, and have funded it themselves. They requested that SSA provide a sponsorship in the amount of, \$35,000 for which SSA would receive a sponsorship recognition of about 15 seconds at the beginning and ending of every broadcast of the film on PBS. They also advised they were looking into the SSA being able to sell this on DVD. They will advise about this when a firm answer has been received from PBS. The reason they feel SSA should invest in this is because it is a good opportunity to put soaring in front of the public. After a lengthy discussion, it was decided to delay final discussion and action on this project until the following day.

After the Cloudstreet presentation and discussion, Director Northcraft commented that people making presentations should go through a committee appropriate to what they want. He thought a Director should be responsible for sponsoring it and a report should be in the agenda so it could be reviewed before the meeting.

The next committee reports to be reviewed were 6.4 reports (Government Liaison, Growth and Development) under Vice Chair Whiteley.

Whiteley commented that the Kansas Soaring Association had formed Sunflower Soaring Foundation and had taken possession of Sunflower gliderport.

Whiteley asked all Directors when they were sending in a recommendation for a new state governor or record keeper it would help if they would give the Chairman all relevant information, i.e. name, if they are new or filling our remaining term, and their e-mail address.

Whiteley advised he had secured permission for paper glider designs to be used for soaring and SSA promotions, the information is on the SSA website, and will work with the Growth and Development committee to decide how to best use these. He advised there were 200 Cadet introductory members and he sent out an alert to 800 kids telling them about the Gordon Boettger and Hugh Bennett wave flight. Vice Chair Whiteley asked for more commercial operator and business member involvement and he would be recruiting new members for this committee.

Director Bush advised the Board the Growth & Development Committee was working hard on ideas. The Sponsor A Member program was being started and they would have a monthly 1/3 page ad in Soaring each month. He advised they were trying to start an Ambassador Program to help local clubs, such as providing Happy Father's Day ads which clubs can use locally.

Before recessing Director Brickner noted that after doing some thinking during the meeting, she believed that legal and procedural rules that prohibit amending previously approved board minutes. Therefore, whenever an error or omission was noted in previous minutes, the prior minutes could not be corrected, but a notation of the error or omission could be made at a later meeting and noted in the minutes of that meeting. Therefore, we will not be "amending" or "restating" any prior minutes, as Director Northcraft had suggested might be appropriate from time to time.

At this time Chairman Maleady asked if there was a motion to recess until the next day. Director Brickner moved to recess until 9:00 a.m. the next day, seconded by Director Umphres. The meeting recessed at 11:48 a.m.

The SSA Board of Directors' meeting resumed at 9:00 a.m. on Saturday, March 1st. Attending were: Richard Maleady, Frank Whiteley, Phil Umphres, Cindy Brickner, Jim Garrison, Ken Sorenson, Bernald Smith, Steve Northcraft, Jay McDaniel, Lane Bush, Geoff Weck, Ann Lafford, Linda Draper-Hivert, Peter Smith and Jason Stephens. Also attending were Pete Brown, John Godfrey, Rich Carlson, Denise Layton and Kathey Pope.

Chairman Maleady began by introducing new Director Jason Stephens to the group. Director Stephens had been ill and unable to attend the day before.

The meeting began with agenda item 7.0 (SSA Foundation.) John Godfrey advised he had no new business to transact, just some informational reporting. He advised that Phil Umphres had resigned as trustee of the Foundation since he is currently serving as treasurer for the SSA. David Pixton will be appointed to the SSAF. He advised \$59,000 had been received in contributions this past year and there was \$3.2M in the Foundation.

Pete Brown, the Treasurer for the SSA Foundation gave a financial report. Brown advised how funds were invested to the Board, and answered questions from Directors.

The next item was agenda items 6.3.3 (Contest pilot selection) which had been postponed from the day before. First Vice Chair Sorenson moved to approve the 13.5 Meter US Team pilot selection procedures for the 2015 Worlds. It will be equal weight to each contest (13.5 and Nationals). One pilot will be

funded, up to four may attend. Director Northcraft seconded and the motion carried. At this time, Vice Chair Sorenson advised other reports were in the book and he had nothing further to add.

The next item of business was final discussion and action on the Cloudstreet Project. Vice chair Sorenson moved that SSA provide a letter indicating sponsorship in the amount of \$35,000, subject to the conditions in a written proposal submitted by Mike Abernathy at this meeting.

Director Peter Smith seconded the motion. There was discussion about the funding. Director Umphres explained that it was reflected in the budget and offset from a distribution from the Foundation, further explaining that drawing from the Kunda operating reserve is exactly the type

of special project the fund was for. Director Umphres spoke in favor of the project and noted that if it generated 500 new members, over time, it would pay for itself. Chair Maleady compared it to the cost of a full page ad in the AOPA magazine at nearly three times the cost.

Directors Garrison and Sorenson noted that the SSA, clubs, chapters, and commercial operators needed to be ready to exploit any interest generated by the program. Director Northcraft expressed concern about the short notification and lack of time for in-depth deliberation. He also

noted that we no longer track where new SSA members are coming from. He said we need a plan to put the materials in the hands of commercial operators and clubs so that if this generates the interest, we have the right materials and right approach to exploit the opportunity. We have to be ready to take advantage. He mentioned a lack of a Join Now button right on our home page. It's nested in the menus, and somewhat hard to find. We need to make some changes to

exploit this or any other campaign so we use our resources appropriately. He stated that he hadn't seen this yet nor have the relevant committees made a recommendation. Perhaps there's

time. Director Umphres agreed about the importance of being ready to exploit the film when it aired but reminded that this project was not new to the board but rather has been reviewed by the board on multiple occasions. Chair Maleady commented that the letter only commits us after PBS announces an air date.

There was discussion concerning what the SSA would receive for its contribution, and who would take charge of keeping up with this project. Bernald Smith suggested we should be able to remove SSA endorsement, but not money, if the project did not meet our standards. Director Bush elaborated on Director Whiteley's 'close the deal' comment with regard to the Let's Go Gliding launch and explained his experience in contacting soaring organizations about their Where to Fly contacts. He suggested that the board charge the Growth & Development committee with developing a top to bottom plan regarding the launch of Cloudstreet.

Vice Chair Sorenson moved to amend his original motion to include that the Growth & Development Committee integrate the Cloudstreet Project into a marketing plan to present to the Board to maximize the return on our investment. The amendment was seconded by Director Peter Smith. Asked if the committee was up to this, Director Bush replied in the affirmative, the current committee is proactive. Director Lafford reiterated the additional points regarding a method of tracking the results and modifying the web site with a 'Join Here' presence. Should those be captured as two separate actions? Director Bush commented that the charge to the committee should be broadly stated and suggests that leave that type of planning to the webmaster. Director Northcraft added he thinks we've covered the concerns.

Chairman Maleady called for a vote on the Amendment, which carried with one Director opposed. Next, the vote on Director Sorenson's original motion as amended carried, again with one director opposed. Cloudstreet will be funded, with \$35,000 to be taken out of the Kunda fund, with the money due upon announcement of a first air date. Umphres is tasked with negotiating the final agreement with the Cloudstreet team and the Growth and Development Committee is charged with developing a plan to effectively utilize the film when it airs, including providing information on the film to clubs and chapters and making suggestions to them on how to insure the film is aired by their local PBS stations.

The next item discussed came from Director Bush. He asked if SSA had an automatic renewal procedure (yes, we do). He asked why SSA required clubs to collect dues separately. COO Layton advised some clubs did group renewals, some did individual. Part of the reason for group renewals was so clubs could keep up and make certain all of their members were SSA members in accordance with the insurance plan provided by Costello. His questions were answered and the Board recessed for fifteen minutes.

Upon reconvening the meeting, Jim Payne, Ed Warnock, Stephan, Peter Fuss and John Post were introduced. They gave a report on the Perlan project. They have made three trips to Argentina and have received good logistic support. They advised they had reached out to Argentine soaring sites and are getting engineering and science people involved in the project. The Board had previously voted to provide some funding for this project when they reached a certain stage and this was an update as to their progress.

The next item of business came from Director Northcraft. He advised in the membership meeting the day before a member had stood up and asked that the SSA consider changing their bylaws to include the word “protect.” Northcraft spoke to this and advised why he felt the member was requesting it. He advised this would require a Board vote and he was concerned the IRS would consider this move to be engaging us in political activity, which is prohibited. Director Northcraft will contact this member.

The next item discussed came from Director Umphres. He asked how everyone felt the “Safety Stand Down” had been received and if the Board felt that it still needed to be a two-hour event in the future. Rich Carlson advised he thought it went well but felt a one hour session would be sufficient at future conventions.

The final item of business was the date and time of the next Board of Directors’ meeting. After discussion, it was moved by Director Peter Smith to have the meeting September 13th in Charlotte, North Carolina, Vice Chair Weck seconded and the motion carried.

It was noted by Director Brickner that the old practice was to visit the site of an upcoming convention by having a Board meeting there.

Hearing no further discussion, Director Umphres moved to adjourn, seconded by Director Brickner and the meeting adjourned at 10:40 a.m.

