

IAC Board of Directors

March 2014 Meeting Minutes



Saturday, March 29, 2014, 8:00 AM CDT, Franklin, TN

Mr. Sowder called the meeting to order. Secretary Jim Ward called roll. Present in person were Messrs. Sowder and Ward, Vice President Mike Heuer, Treasurer Bob Hart, Directors Bruce Ballew, Vicky Benzing, Lynn Bowes, Norm DeWitt, Jonathan Gaffney, Klein Gilhousen, Debby Rihn-Harvey and Mike Steveson. Present via Skype was Director Tom Adams. Absent was Director Louie Andrew. A quorum was present for the conduct of business.

Staff and visitors present were IAC Manager Trish Deimer-Steineke, publications editor Reggie Paulk, club member Lukas von Atzigen, Safety Committee chair Steve Johnson, acting manager of the 2014 U.S. Advanced Aerobatic Team Alice Johnson, and IAC Chapter 36 member Casey Erickson, who attended to propose a 2016 WAAC venue.

The board agreed to a proposal by Mr. Sowder to establish its fall 2014 board meeting dates of Wednesday, November 12 and Thursday, November 13 at EAA headquarters in Oshkosh, WI. No formal action was taken.

Mr. Ward moved to accept the fall 2013 board meeting minutes as written. Not voting: Mr. Gilhousen. Voting to accept: all others present.¹ Motion passed. Action: Mr. Ward to remove "Draft" notation from minutes and update IAC website.

Mr. Ward moved to accept the Secretary's report as written, but to defer all items within it requiring board action until later in this meeting. Voting in favor: all present. Motion passed.

Mr. Hart presented IAC's fiscal year-end 2014 financials.² A discussion ensued, which morphed into a presentation about the origin of the "Airspace Protection Fund"³ by Mr. Ballew.

At this time, Mr. Andrew joined the meeting via telephone. Mr. Andrew explained some of the limits imposed on IAC by U.S. tax law pertaining to disbursement of money from the Airspace Protection Fund.⁴ Regarding the Morris, IL legal action in which IAC Chapter 1 is involved, Mr. Andrew advised that IAC could not, as a 501(c)(3) corporation, disburse funds to benefit an individual or other corporation that was not itself a 501(c)(3).⁵

Mr. Andrew suggested alternative means by which IAC could support airspace protection actions, including filing of *amicus* briefs, initiating its own lawsuits, and lobbying FAA personnel and elected representatives to act. Mr. Andrew further proposed soliciting assistance from members of the U.S.

¹ Mr. Sowder cast no votes at this meeting.

² N.B. IAC's fiscal year ends on the last day of February.

³ Though never formally established by the board, this fund was created to solicit financial support for airspace protection issues, such as that ongoing in Morris, IL.

⁴ Mr. Andrew, an attorney, has consulted at length on this matter with Michelle Weber, a tax manager at Grant Thornton LLP, IAC's tax advisor.

⁵ Mr. Andrew went on to say that IAC would still be constrained in the kinds of support it could offer to a 501(c)(3).

Congress and Senate; he identified some members who might be willing to advocate favorably toward issues of concern to IAC. Action: Mr. Sowder will coordinate with Mr. Andrew to meet with EAA President Jack Pelton to explore common interests related to airspace protection and possible outreach to elected representatives. After taking questions from other directors, Mr. Andrew left the meeting.

Mr. Hart proposed IAC's fiscal 2015 budget, which the board discussed in some detail. Mr. Hart urged this board to reject any budget, or changes to this one, that would cause the club to operate at a deficit. Nonetheless, several directors expressed concern, related to them by members, over the proposed increase in contest participation fees.

Mr. Ward proposed that IAC should have an explicit accounting of all EAA charges levied on IAC, which in fiscal 2014 represented over \$66,000, about 18% of IAC's budget. Mr. Hart cautioned that questioning IAC's current EAA charges could precipitate an increase or other adverse reaction.

Mr. Ward moved to direct IAC's Finance Committee to investigate EAA's charges to IAC and report their details to the board by June 1, 2014. Voting in favor: all present. Motion passed. Action: Mr. Hart to pursue.

The board continued its budget discussion, focusing on ways to increase revenue. Moved by Mr. Heuer to extend the deadline to October 1, 2014 for the Executive Committee to develop a set of revenue enhancement ideas and report them to the full board.⁶ Voting in favor: all present. Motion passed.

Moved by Mr. DeWitt to accept the budget proposed by Mr. Hart. Voting in favor: Mr. Ballew, Mr. Gaffney, Ms. Rihn-Harvey, Mr. Hart, Mr. DeWitt, Mr. Gilhousen, Mr. Adams, Mr. Heuer. Voting against: Ms. Benzing, Ms. Bowes, Mr. Steveson and Mr. Ward. Motion passed.

Mr. Heuer presented the portion of his CIVA report dealing with a possible U.S. bid for WAAC 2016. Mr. Heuer asked for approval by the board to submit a bid. Moved by Ms. Benzing to go forward with a U.S. bid for WAAC 2016. Voting in favor: all present. Motion passed.

Ms. Erickson presented a proposal to bid Borrego Springs, California as the venue for WAAC 2016.⁷ Mr. Heuer presented a proposal to bid Newton, Kansas as the venue for that contest.⁸ Find each presentation in the post-meeting agenda packet.

Without formal action, the board accepted Mr. Ward's suggestion that it take up the question of WAAC 2016 venue on Sunday, to allow time for further consideration.

Moved by Mr. Ward to invite chairs of committees without written charters to propose charters to the board's fall 2014 meeting. Voting in favor: all present. Motion carried. Action: Mr. Ward and his successor as Secretary to follow through. Each new charter will be added as a 200-series P&P.

⁶ This motion refers to the same charge to the Executive Committee from the fall 2013 board meeting.

⁷ Ms. Erickson and other members of IAC Chapter 36 leadership prepared this proposal.

⁸ IAC member A.J. Hefel prepared this proposal in concert with Newton airport manager Kevin Timmermeyer.

Moved by Mr. Ward to authorize Mr. Andrew to, at his discretion, write a letter to the Internal Revenue Service explaining the EIN confusion between IAC and Chapter 1. Mr. Ward explained that this motion stemmed from an explicit request by Mr. Andrew in an email to IAC officers. Voting in favor: all present. Motion passed. Action: Mr. Ward to inform Mr. Andrew of this action.

Moved by Mr. Sowder to appoint IAC Chapter 36 member Gray Brandt as Contest Director for the 2014 U.S. National Aerobatic Championships and Ms. Erickson as Assistant Contest Director. Voting in favor: all present. Motion passed.⁹

Moved by Mr. Sowder to remove John Smutny's and Mr. Tanner's names from the bank signature card for the U.S. National Aerobatic Championships and add Mr. Brandt's and Ms. Erickson's. Voting in favor: all present. Motion passed. Implied action: Ms. Deimer-Steineke to coordinate.

The board next discussed Mr. Sowder's proposed changes to P&P 503 and 504, as found in the post-meeting agenda packet.

Moved by Mr. Sowder to accept his proposed changes to P&P 503, modified as follows:

1. Revise 2(e)(2) to allow glider pilots to submit multiple figures on a round-robin basis until the requisite number of figures is supplied.
2. Provide for pilots flying the Advanced Glider category to cooperatively design and submit one Unknown program, which would be flown by all pilots in that category.
3. Similarly, provide for pilots flying the Unlimited Glider category to cooperatively design and submit one Unknown program, which would be flown by all pilots in that category.
4. Strike 2(e)(12).

Not voting: Mr. Gaffney. Voting in favor: all others present. Motion passed. Action: Mr. Sowder to update and republish P&P 503.

Moved by Mr. Sowder to accept his proposed changes to P&P 504, except to remove the ordered list of flight programs. Not voting: Mr. Gaffney. Voting in favor: all others present. Motion passed. Action: Mr. Sowder to update and republish P&P 504.

A discussion followed regarding Mr. Adams' proposed changes to P&P 504. Moved by Ms. Benzing to accept the changes numbered 1 through 4 of this proposal. Upon further consideration, Ms. Benzing withdrew her motion pending the proposal's further development.

A discussion followed about Mr. Adams' proposed changes to the letters of agreement between IAC and the two U.S. aerobatic team management organizations, UAUSA and USAAAT.¹⁰ The discussion ended when Mr. Adams asked to table further consideration until a later time.

The meeting adjourned without motion until 8:00 AM, Sunday, March 30.

⁹ Mr. Brandt replaces Matt Tanner, who earlier resigned from this role.

¹⁰ These LoAs are the subjects of P&Ps 303 and 307, respectively.

Sunday, March 30, 2014, 8:00 AM CDT, Franklin, TN

Mr. Sowder called the meeting to order. Directors attending in person were unchanged from Saturday. Mr. Adams and Mr. Andrew were absent. A quorum was present for the conduct of business.

Staff and visitors present were IAC Manager Trish Deimer-Steineke, publications editor Reggie Paulk, Safety Committee chair Steve Johnson and acting manager of the 2014 U.S. Advanced Aerobatic Team Alice Johnson.

Mr. Heuer presented a summary of CIVA activities, per his report in the agenda packet.

Mr. Adams joined the meeting via Skype.

Mr. Heuer moved to authorize the Executive Committee to enter into a letter of agreement between IAC and WAC 2013, Inc. to organize and operate WAAC 2016 and future competitions. Voting in favor: all present. Motion passed.

Mr. Paulk presented on behalf of the Editorial Oversight Committee. He emphasized an opportunity, brought to light in committee chairman Doug McConnell's report, to explore a relationship between IAC and IMAC, the International Miniature Aerobatic Club.

A discussion followed about advertising sales and revenue recognition in all IAC media, *Sport Aerobatics*, *In the Loop* and the IAC website. The board paid most attention to the first two, in which EAA participates actively in ad sales and publishing.

Action: Mr. Paulk and Ms. Deimer-Steineke to publish an advertising rate card for IAC publications, or a link to such a card, on the IAC website.

Moved by Mr. Heuer to task the Editorial Oversight Committee to report to this board by June 1, 2014, a detailed accounting of expenses of, and revenue from, IAC publications. Voting in favor: all present. Motion passed. Action: Mr. Paulk to pursue.

The board discussed the report of the Membership Committee, the efficacy of "6-month free" memberships, and how best to deploy IAC resources at AirVenture to reach prospective members.

Action: Ms. Deimer-Steineke to report to the board the number of "6-month free" memberships now in effect.

Moved by Mr. Heuer to authorize the Membership Committee to pursue a dialog with IMAC and ICAS and to create a framework in which strategic partnerships can be developed. Voting in favor: all present. Motion passed. Action: Membership Committee chair Mr. McConnell to pursue.

Moved by Mr. Heuer to direct the Membership Committee chair to develop a membership recruitment program for AirVenture. Voting in favor: all present. Motion passed. Action: Mr. McConnell to pursue.

Moved by Ms. Benzing that Mr. Paulk be appointed chair of the Editorial Oversight Committee. Voting against: Mr. Steveson. Voting in favor: all others present. Motion passed. Action: Ms. Deimer-Steineke to update Yellow Pages on website and in print.

Ms. Johnson presented the status of the United States Advanced Aerobatic Team. She indicated that it would be unlikely that the team would compete in Slovakia with a full complement of 8 pilots.

Mr. Sowder remarked on the status of UAUSA and USAAAT, the organizations with which IAC has letters of agreement concerning the operation of the U.S. Unlimited and Advanced aerobatic teams, respectively. Mr. Heuer pointed out that USAAAT is presently in violation of its LoA with IAC.

Moved by Mr. Heuer that the letter of agreement between IAC and USAAAT be terminated, and that IAC take over the administration, management and fundraising of the United States Advanced Aerobatic Team pending resolution of the issues facing USAAAT today. Not voting: Mr. Steveson. Voting in favor: all others present. Motion passed. Action: Mr. Ward to draft a termination letter to USAAAT and submit it to Mr. Sowder for his review and signature.

Moved by Mr. Heuer to name Ms. Johnson as manager of the 2014 United States Advanced Aerobatic Team and to give her authority to delegate those responsibilities to assistant managers as she sees fit.¹¹ Not voting: Mr. Steveson. Voting in favor: all others present. Motion passed.

Mr. Ballew spoke about the legal issues in which IAC Chapter 1 is involved with the city of Morris, IL. He committed to work with Mr. Andrew to refine his proposed "Airspace Defense Fund" charter, ensuring that it meets the constraints under which IAC operates as a 501(c)(3) corporation. Action: Mr. Ballew to pursue.

Mr. Hart asked that this board communicate its disappointment to Chapter 1 that IAC cannot be more financially helpful in the Morris case. No formal action was taken, however Messrs. Ballew, Hart and Ward will coordinate to propose such a communiqué. Action: Mr. Ward to pursue.

The board considered the Aerobatic Hall of Fame nomination proposed by the Hall of Fame Selection Committee. After detailed discussion, the consideration was tabled in order for Mr. Sowder to discuss the matter with the committee chair. The board reached consensus that it desires additional information in support of the present nominee. It also agreed that a later email vote on this nomination is preferred. Action: Mr. Sowder to pursue.

Mr. DeWitt moved to make IAC's Official Contest Rules available to all visitors to the IAC website, rather than just to members. Voting in favor: Mr. Adams. Voting against: all others present. Motion failed.

Mr. Hart and Mr. Gaffney left the meeting at this time. A quorum remained.

Mr. Heuer announced his resignation from the Nominating Committee due to his candidacy for IAC president.

¹¹ Ms. Johnson told the board that she would not travel to Slovakia for the contest.

The board discussed the Technical Committee report. Action was neither called for nor taken.

Mr. Ward spoke about director balloting in 2014 and the last remnants of the even year/odd year confusion brought about by the IAC By-laws change. Moved by Mr. Ward to conduct 2014 director elections using both the IAC website and *Sport Aerobatics* magazine, the latter in such a way that only verified, blind returns are counted. Voting in favor: all present. Motion passed.

Mr. Ward moved that the U.S. bid Borrego Springs, California for the 2016 World Advanced Aerobic Championships. In the discussion that followed, Mr. Heuer reported that Mr. Brandt, one of the authors of the bid proposal, committed that normal competitor entry fees will not exceed \$2,500 for double-occupancy hotel accommodations.¹² Voting in favor: Mr. Gilhousen, Mr. Steveson, Ms. Benzing, Mr. DeWitt, Mr. Adams, Mr. Ballew and Mr. Ward. Voting against: Ms. Bowes, Ms. Rihn-Harvey. Not voting: Mr. Heuer. Motion passed. Action: Mr. Heuer to inform Mr. Brandt and Mr. Timmermeyer.

Ms. Bowes introduced the topic of the 2014 rulebook (formally, the "IAC Official Contest Rules") and concern raised by several members that certain rule changes were made that were neither approved by the board nor exempted by P&P 221.

Moved by Mr. Heuer that, prior to each publication of the rulebook, it be reviewed and approved by the entire Rules Committee and, once complete, then by the Executive Committee of the board. Voting in favor: all present. Motion passed.

Moved by Ms. Bowes to direct the Rules Committee chair to undo all changes to the 2014 rulebook and return to the 2013 language, except for rule changes explicitly approved by the board at its fall 2013 meeting. Voting against: Mr. Heuer. Voting in favor: all others present. Motion passed. Action: Mr. Sowder agreed to inform Brian Howard, Rules Committee chair, of this direction by Wednesday, April 2, 2014.

Moved by Mr. Heuer to approve rule 7.3.1(c), proposed by Mr. Howard in his March 2014 report to the board, for addition to the 2014 rulebook.^{13,14} Not voting: Mr. Adams. Voting against: Mr. Gilhousen. Voting in favor: all others present. Motion passed.

Mr. Johnson spoke to the board about IAC's Safety Program and the purpose of Safety Coaches. He asked the board to reconsider its fall 2013 rule change rejection that would have mandated the presence of an individual associated with the IAC Safety Program on each contest jury. Without formal action, the board refused and recommended that he submit another rule change proposal in calendar 2014.

¹² Mr. Heuer later clarified that "normal" means "fees paid neither early nor late".

¹³ The complete report from the Rules Committee is in the final agenda packet.

¹⁴ The proposed 7.3.1(c) language clarifies hard zero vs. numerical zero assignment.

Several directors departed at 2:25 PM due to travel commitments. The meeting ended without motion because a quorum was no longer present.

Respectfully submitted,



Jim Ward, Secretary

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