



**Minutes of State Board Meeting
Sons In Retirement Inc.
Wednesday, November 18, 2015 at 9:30am
2555 Jameson Canyon Road
American Canyon, California 94503.**



State Board Members

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|-------------------------------------|-------------------------------------|
| President: Bob Hairston | Director, Region 3: Jimmie Johnson |
| Vice President: Don Dill | Director, Region 4: Bob Staib |
| Secretary: Derek Southern* | Director, Region 5: Robert Fox |
| Assistant Secretary: Ron Flagel | Director, Region 6: Dick DeVoe |
| Treasurer: Karl Ryden | Director, Region 7: Patrick Misener |
| Assistant Treasurer: Hal D'Ambrogia | Director, Region 8: Jerry Strain |
| Director, Region 1: Bob Roberts | Director, Region 9: Mark Stuart |
| Director, Region 2: Russ Salazar | Director, Region 10: James Filippo |
| *Absent | |

Other Attending Participants

| | |
|------------------------------------|----------------------------------|
| Past President: Buck Kendrick | Tax exemption status: Mike Berry |
| Rules: Larry Powers | Travel: Bob Spellman |
| Insurance: Angelo Coero | Golf: Bill Wilhelm |
| Jerry Morrow (AG 27/RD 2-Elect) | Sporting Events: Lee Moy |
| Ed Benson (AG 2/RD 6-Elect) | Bocce: Jack Meylink |
| George Gorohoff (AG 18/RD 4-Elect) | INFOSYS: Dean Steichen |

Call to Order, Welcome: The State Board meeting was called to order at 9:30AM by President Bob Hairston. Dick DeVoe, acting as Secretary in Derek Southern's absence, confirmed a quorum was present. Bob Roberts gave the invocation and the Pledge of Allegiance was said by all. President Hairston welcomed the Past President in attendance and recognized invited participants. The Minutes of the August 3 Annual Meeting, June 2 regular Board Meeting, and July 15 Special Board Meeting minutes were Moved/Seconded/Approved (MSA).

President's Appreciation Certificates: President Hairston awarded the President's Appreciation Certificate to each 2015 State Officer to recognize their dedication and contributions throughout the year.

HLM Awards: Vice President Don Dill presented an Honorary Life Membership award to President Hairston for his extraordinary and exceptional service to SIRinc.

A State HLM award proposal for Walter Schick had been proposed in August for action at today's Board meeting. Sadly, Walter unexpectedly died of a heart attack during the interim period. His HLM award was M/S/A posthumously, which will be deeply meaningful to family and friends/associates.

Installation of 2016 State Board Officers: President Hairston installed the State Board Officers for 2016, except for State Secretary-Elect Derek Southern, Region 3

Director-Elect Vic Mershon, and the Region 8 Director position that is unfilled. They will be installed at the January 2016 State Board meeting.

President's Remarks: Bobbie Hairston reflected on his tenure serving as President-Elect and as 2015 President. He expressed great pleasure and pride in the opportunity to represent SIRinc as President- whether it was presenting HLM awards (36 by year-end), dealing directly on significant issues of concern to branch leaders, participating in BEC and luncheon meetings, or otherwise making the Presidency accessible to anyone within SIR.

Actions during his tenure include the following:

- focused on the PLUS ONE membership goal, exhorting each branch to end the year one member greater than at the start.
- changed how expenses are charged/spent.
- clarified in Standing Rules that Emeritus members are exempt from attendance requirements but are still considered active members in the membership count.
- changed various other rules related to branches, certificates, travel, and regional director appointments.
- changed to an insurance company that agreed to include fishing and certain other water sports in our liability insurance.
- added Training & Development as a separate Standing Committee, reflecting its importance to SIR.
- highlighted the importance of RAMP Committees within each branch (Recruitment, Activities, Member Relations, Publicity), summarized in Rule 125. Included RAMP as a significant part of State Branch Officer Training.
- expanded State Training locations, and initiated videos as part of the training package.
- upgraded the Annual Meeting venue to be at the Concord Hilton rather than the Vallejo site.
- Tested the inclusion of vendors at the Annual Meeting site, using their payments to hold a hosted President's Dinner for State Officers.
- changed State Board Meeting venues from Vallejo, resulting in site upgrading and expansion of geographical locations.
- initiated meetings with the President and leaders from each of four regions, to expand communications between branches and the State.

Treasurer's Report: Karl Ryden reported on the status of Branch assessments; some problems with missing information on Form 15 Expense Claim Vouchers; and the need for Form 15's to be submitted as soon as possible prior to year-end for timely processing of all 2015 expenses. He expressed strong concern about revenues being down and expenses being up vs. forecasts. Over 400 members have already been lost through October, which reduces expected revenues; at the same time, expenses are much greater than anticipated. The Budget Oversight Committee and the State Board for 2016 must make some difficult decisions in order that future expenses are offset by adequate revenues. Part of their analysis must include the real possibility of additional branches closing and membership continuing to decline.

Vice-President's Remarks/Budget Oversight Committee: Don Dill expressed concern about 2015 expenditures far exceeding budgeted 2015 amounts, and focused

on four expense line item accounts with the greatest YTD increases through Nov. 1:

| <u>Account</u> | <u>2015 Budget</u> | <u>YTD Increase vs. '15 Budget</u> |
|---|--------------------|------------------------------------|
| 1. Meeting & Tavel Expense (includes 1 extra Bd. Mtg.) | \$ 6,141 | +\$ 1,100 |
| 2. State Board & Area Governors (mileage/lodging/meals) | \$10,929 | +\$ 6,628 |
| 3. Annual Meeting Expense (mileage/lodging/meals/facility) | \$ 8,419 | +\$ 5,156 |
| 4. Fall Training of Branch Officers | \$16,500 | +\$ 7,700 |
| Total (four accounts) | \$41,989 | +\$20,584 |

Meeting facilities for Board meetings and the annual meeting were upgraded, State Officers increased contacts with Branch leaders, and Fall Training seminars were expanded to be more easily accessible geographically. Don stated that only time will tell whether these efforts will have saved more branches from failure, retained more members, and/or increased membership.

The 2016 budget may well be \$20,000+ less than 2015 expenditures, dependent on the judgement of the 2016 State Board whether certain increases are or are not justified for the future.

2016 Board Meetings: Incoming President Dill has designated the following State Board and Annual Meeting dates/locations:

- Tuesday, Jan. 5, 2016- Chardonnay Golf Club, American Canyon @ 9:30am.
- Tuesday, April 5, 2016- Chez Shari Manteca Golf Club, Manteca @ 9:30am.
- Tuesday, June 7, 2016- Chardonnay Golf Club, American Canyon @ 9:30am.
- Monday, August 1, 2016- Location not yet finalized. Time @ 10:00am.
- Tuesday, November 1, 2016- Chez Shari Manteca Golf Club, Manteca @ 9:30am.

Assistant Secretary's Remarks: Ron Flagel reported that the 2016 name badges have been ordered for State Officers/Committee Chairmen.

Assistant Treasurer's Remarks: Hal D'Ambrogia reported that several branches continue to have problems submitting Form 28's- e.g. data is incorrect or insufficient, Excel form is not used, hard copies have not been replaced by electronic filing, forms are late. For 2016 it is important that branches submit the F28 correctly the 1st time.

Tax Exemption Status Report: Past State Treasurer Mike Berry reported on SIRinc's tax exemption status. See Appendix A.

Regional Director Reports: See Appendix B.

Growth & Membership Committee: Chairman Jerry Strain expressed his deep regret in the recent deaths of Joe Fuchs and Walter Schick, who had been strong contributors to the committee for many years.

INFOSYS Committee: Chairman Dean Steichen reported that the Committee met Sept. 26 to discuss status and plans through 2016. The Database Committee lost Marty Owen who resigned, stopping development of the new database using CiviCRM. Dan Weller has tested solutions to the current Microsoft Access Database, which proves our remote access process could be achieved with our existing design. It will be ready for testing soon by Dwight Sale and the State Treasurer/Asst. Treasurer. A 2015 Branch Officer Training webpage was added to the sirinc.org website, containing the Training Videos, Training Workbook and the Training presentations.

Routine updates/support continue for the State Roster, SIR Manual, SIR Database, Travel Management, and Branch Websites.

Another excellent SIR Happenings edition is on the website now.

Insurance Committee: Chairman Angelo Coero focused on alcoholic drinking, stating that it must be closely monitored by a designated member to ensure that no excesses exist.

- Liquor liability: Gross annual sales will be requested from the 7+ branches that sell liquor and/or have a bar.
- Activities served liquor by the facility- In almost all cases we supply certificates of insurance naming the facility as an additional insured. However, SIR is still exposed should an accident occur. It is our responsibility to ensure there are no excesses and that there be designated drivers as appropriate.
- Wine tasting activities- it is each activity's responsibility to ensure that there are no excesses and that there be designated drivers.
- Limousine hiring- the limousine firm must be on our approved transportation list.

Travel Committee: Chairman Bob Spellman reported that travel activity within the branches has increased 38% through October, 2015 vs. same time last year (86 to 119 trips). His proposal for a revised Form 46 "Request for Approval of Branch Bus Trip" was MSA. To increase participant safety assurance, the form will now include the selected bus company's CPUC# and insurance expiration date, the BEC approval date, and distribution to the State Travel Committee Chairman.

Golf Committee: Chairman Bill Wilhelm submitted a final schedule of the 2016 State Golf Tournaments, which was MSA.

Springtime in Napa:April 18 and 19
Reno Week One:June 13-17
Reno Week Two:June 20-24
State Team Championship @ Poppy Ridge:.....August 15
Fall Classic @ SolvangSeptember 19-22
State Individual Championship@ Poppy Hills:..October 17-18

Chairman Wilhelm stated there are 4500 SIR golfers. He intends to distribute the schedule to all Big Sirs, requesting their distribution to branch golfers and their encouragement for participation. He also will request the NCGA to publish quarterly SIR articles as had been done years ago.

VP Dill stated golf is a great recruitment tool for branches, which hasn't been tapped as well as it could be. He also mentioned that Branch and Area Golf Chairmen should be strongly encouraged by Big Sirs and AG's to highlight the State tourneys, thereby increasing participation.

Sporting Events Committee: Chairman Lee Moy reported on the possible baseball line-up for SIRinc:

- SF Giants vs LA Dodgers at AT&T, SF, Saturday (April 16) or Sunday (April 17).
- Oakland A's vs NY Yankees, [O.co](#) Coliseum, Oakland, Sat.(May 21) or Sun.(May 22).
- RiverCats vs Fresno Grizzlies at Raley Field, Sacramento, Monday, June 13.
- Grizzlies vs RiverCats, Chukchansi Park, Fresno, Monday, July 4th or Friday, Aug 26.

State SIR plans to send several baseball "blast" flyer/s reminders to Big Sirs for members' awareness. Promoting/co-ordinating regional BBQ at the ball parks to meet-n-greet members is being planned.

One important issue to be resolved is advance payment for tickets to certain sporting events. He will discuss this at the January Board Meeting, along with the final 2016 schedule for Board approval.

Bocce Committee: Chairman Jack Meylink reported that the newly-established Bocce Committee held two tournaments in 2015 (Penn Valley and San Jose). State Bocce is a work in progress, and will take time for branch bocce chairmen to recognize the benefits of expanding play within SIR. He intends to strengthen the SIR bocce infrastructure in order to expand the program. There will be up to three tourneys in 2016.

Bowling Committee: Vice Chairman Russ Salazar reported that there were 18 tourneys in 2015 from January through November, with the State tourney in May. Twenty-two are planned in 2016.

Training Committee: Chairman Mark Stuart received a round of applause when introduced, for the training he oversaw this year for Branch Officers. He reported that the last of the 12 Branch Officer training seminars will be in Napa on Dec. 2. He asked RD's to invite those Officers who couldn't attend an assigned seminar to participate in the Dec. 2 seminar.

Mark praised those who worked tirelessly to pull the training modules together, and all those who were presenters and roundtable coordinators in each of the seminars. He has received positive feedback from experienced as well as new branch officers regarding RAMP, the roundtable discussions, and the training seminar overall.

Rules Committee: Chairman Larry Powers submitted rules that were MSA. See Appendix C.

Old Business: None.

New Business:

Revised Form 27- G&M Chairman Jerry Strain proposed a much more simplified Form 27 Monthly Branch Membership Report beginning January, 2016, that was MSA. Changes include the following: It will have about 50% less lines; some data will be automatically calculated for convenience; the prior 3 years of important branch membership data will be shown, to help branch leaders identify trends and set next year's goals.

Dick DeVoe and Derek Southern have agreed to oversee the implementation phase.

Project 2016, Building Our Branches- Don Dill proposed the implementation of Project 2016 which was MSA. The Objective is to develop solutions to reverse our declining membership trend. Ed Benson will chair the committee, whose Guiding Principles are Education (what works and should work), Involvement (by Branch and State Leaders), and Communication (of findings, alternatives, and results). Don emphasized that branch involvement in the Project is key to the development and implementation of solutions.

Ed summarized preliminary findings of recent survey responses from Big/Little Sirs and State leaders:

- Branch and State responses were quite similar, except State respondents exhibited a higher degree of concern than Branch leaders.
- Both groups agree that the greatest concern facing SIR is recruiting the "right" leaders.
- The branches want help to be local and/or within the branch; Area Governors want that help supplemented by an online training website.

- Few leaders expressed an interest to be an Area Governor.
- The membership situation would be greatly improved if all branches merely performed the “simple/basic” things, e.g. new member orientation & followup; involvement of new members in recruiting, activities, leadership; focus on member retention, etc.

In January, it is planned that all 2015 Big Sirs will be invited to one of several “focus groups” to be held in various geographical locations to obtain further input, test observations, and resolve anomalies. Telephone interviews with a sample of State leaders is also planned. By February, the Project Team is expected to finalize findings and recommendations.

Adjournment: The meeting was adjourned at 3:00pm. The next State Board meeting will be January 5, 2016 at Chardonnay Golf Club, American Canyon @ 9:30am.

Respectfully submitted,
Dick DeVoe- Acting Secretary

Appendix A: Tax Exemption Status Report

Past State Treasurer Mike Berry reported that problems dealing with the IRS on SIRinc’s tax exemption status continue. His 990N postcard filings for 2014 were successful, although they were six months late due to the IRS delay in updating its Revocation database.

Mike advised that technically SIRinc does not need to file the 2013 returns. However, due to the inability to clarify with the IRS our tax exempt status over the past 18 months, he recommended that we do so. Since the free IRS access to file 2013 is no longer available, a private company must be used. He negotiated a rate of \$7 per 2013 return for each branch, down from \$20. It was MSA to file returns at the \$7 rate, totaling about \$900.

There is still a penalty pending of \$5680 involving the 2013 filing question. Letters and phone calls are ongoing to resolve this situation without having to make payment. A decision will probably have to be made at the January Board meeting whether to pay the penalty and continue the appeal.

Appendix B: Regional Director’s Reports [to be added]

Appendix C: Rule Changes/Additions

Rule 225 (Income Tax Returns)

[Submitted by DB Sale, State Rules Committee, and M/S/P by the State Board 11/18/15. This rule is changed such that Branches not deal with the IRS or FTB for any reason.]

RULE 225. The Branch Treasurer shall not file Income Tax Returns.

a. (Deleted 6-6-94)

b. If a Branch receives a federal income tax return Form 990 or any other request from the IRS or the California Franchise Tax Board (FTB), the Branch Treasurer should immediately refer such documents to the SIR State Treasurer for final disposition and should not respond to the IRS or FTB on their own. (Revised 11/18/15)

c. Annually, the SIR State Treasurer shall file Form 199, or any subsequent similar form with the California Exempt Corporation Annual Information Return, with the California State Franchise Tax Board for the parent corporation. The return shall include all chartered Branches regardless of the amount of annual gross receipts.

(Revised 11/18/15)

d. Branches should not request information or otherwise deal with either the IRS or FTB. Branches should address any questions or concerns to the SIR State Treasurer.

(Revised (11/18/15)

Rule 131.1 (Form 27- Membership Committee Chairman's Responsibility)

[Submitted by DB Sale, State Rules Committee. It was approved by the State Executive Committee 7/15/15. It was M/S/P by the State Board according to policy on 11/18/15. This new rule establishes the Membership Committee Chairman as responsible for completion of Form 27, which includes distribution as noted on the form itself.]

RULE 131.1 One of the committees the Big Sir appoints is the Membership Committee. In addition to any duties the branch and/or the Big Sir assigns to the Membership Committee the Membership Committee Chairman shall arrange for the monthly completion of the State Form 27 in accordance with instructions on the form.
(New 11/18/15).