

TO: SSA Board of Directors
FROM: Denise Layton, COO
DATE: February 20, 2016

SSA Staff - There has been a recent staff change in Hobbs and the merchandise person, contest overseer, receptionist is no longer with us. When I return from the Convention I will start the process of finding a replacement for this position. Fortunately for us, with the downturn in the oilfield we should be able to quickly find a qualified replacement. I try to keep everyone cross-trained in case we lose someone, and each position is pretty well covered. Because we will now be hiring a new person and training them this is where the cross-training will definitely pay off.

Future SSA Convention - Since this convention is on the east coast, I have been looking west for a possible 2018 convention site. Ontario, California was suggested by one of the Directors so I have looked into it. The convention center is open during the dates we normally go and I have located a club who would be interested in helping with the convention. Therefore, if the Board is inclined to go to the west coast, and Ontario would be acceptable, I will start negotiations with the convention center and hotel and see if it is a viable option. If Ontario doesn't work out, I will advise other options.

Trophies - Many of the SSA trophies will be coming to Hobbs to be cared for. Some are in need of repair and those that will be traveling to contests are in desperate need of good shipping cases. I will be working with the Trophy Committee to get all of the necessary repairs done in a timely manner and have trophies ready for presentations at contests.

Before contest season starts we will be working to make sure we have good cases for shipping all of the trophies going out. We have already had a custom case done for the Spratt Trophy, which turned out very nice. I think if the trophies are packed in cases like this one, we shouldn't have any worries about trophies being damaged during shipment. You can see the case inside the exhibit hall with the trophies we are displaying, if anyone is interested in seeing it. I will also be working on how we can display the trophies in the Hobbs office for those stopping by.

SSA Merchandise - Included with this report is a list of all current merchandise. I thought you would like to see what merchandise we have and the turn around on products. I am very cognizant about the merchandise kept in stock, and am trying to keep our investment within reason. I feel we do have a little more tied up than usual, but part of that was to purchase new merchandise for the convention, as well as restocking some of our better selling items to bring to Greenville. We hope merchandise sales are good during the convention.

If an item is slow moving, when stock is depleted I've been taking it out of inventory and will not restock it. We have some items which have been slow movers, mainly t-shirts, and also a few books. These will be put on sale in the next few months to deplete the stock.

To have something new for the Convention, we have purchased a few items; a nice men's polo shirt, a khaki colored hoodie and a black soft shelled, water resistant jacket. The jacket we received before the end of the year and have already advertised and sold a few of them. Of course we also have the convention t-shirts to sell. We purchased a smaller quantity this year and hope to sell out.

One item we are out of is the *Cross-Country Soaring* book by Helmut Reichmann. Although this book is older, it is still a good selling item. Before deciding whether to reprint or not, I checked with one of our vendors who sells the book. He advised it was a good selling item for him and if we were reprinting the book, he would pre-order 50. We do receive phone calls periodically asking for it, so I believe this is one we will have reprinted in the near future and put back in merchandise. I have received quotes on this, with the best being \$2,737 for 100 books. I will wait awhile before deciding on this publication.

For 2015, the merchandise department's net revenue was \$32,638. I hope this year with a few new items and better advertising of what we have, the revenue will be higher. Also, with the convention this year, this always helps the bottom line of the merchandise department for the year.

SSA's Insurance Program - A Director asked the question what would happen to the SSA insurance program if Pat Costello wasn't around, so I went right to the source and posed the question to Pat. In case anyone else has wondered the same thing, you can rest easy as, of course, Pat has considered this and has a plan in place. Below is his response to me:

- “1. I just turned a young 68 with no plans to retire. They'll have to carry me out.
2. There is an agency perpetuation plan in place. If something does happen, my daughter Colleen Lewis would take over. She has been a licensed agent for 21 years. She has experience as an underwriter for two insurance carriers and has worked in the agency since 2002. Colleen understands both the insurance carrier and agency side of the business. She has assisted with the SSA Program as well as regular aviation for 14 years. She also works with me in the management of the agency.
3. Sue McFadden has worked with me on the SSA Program since 1984 and works well with Colleen. She would be staying on.
4. Riley Clark, is also a licensed agent and has worked with the SSA Program since 2002. She does an exceptional job. She likes her position and is a close friend of Colleen's. She would be staying on as well.
5. The AIG underwriting manager and underwriter who work with us on the SSA Program knows my entire staff, including Colleen, very well. AIG would have no problem working with Costello Insurance with Colleen at the helm.
6. The SSA Program is a complex and ever changing entity. I've always taken the time to make sure my staff understands it as well as me. While I'd like to think I was indispensable, the truth is Colleen could take over without missing a beat.”