



**Minutes of the
Annual Great Peppers' Meeting
of the
CHILI APPRECIATION SOCIETY INTERNATIONAL, INC.**

PENDING APPROVAL
Holiday Inn-Midtown
Austin, Texas
September 12, 2015

President Richard Knight called the meeting to order at 9:00 a.m.

Everyone stood while the Pledge of Allegiance to the American Flag was given.

President Knight welcomed everyone to the 36th Annual Great Pepper's Meeting.

Roll Call/Establishment of a Quorum

Secretary Kris Hudspeth called the roll for the Pods.

The following Pods were not in attendance:

Green Country Chili Pod, and Peach State Pod

A quorum was declared with 64 Pods.

Kris Hudspeth then called roll for the Directors. The following Director's were present:

Richard Knight

Harvey West

Ted Fichtl

Kris Hudspeth

Patti Meyers-Jones
Cindy Noe
Tim Collier
Susan Armand
Mary Ellen Gillen
Robert Schrade

A quorum was declared with 10 Directors.

Call for Nominations Committee Report- Special Election

Candidates declared for Special Election to fill a one year vacancy resulting from Jenny Windsor's resignation.

David Manske
Patti Meyers- Jones

Ted Fichtl called everyone's attention to the By-Laws change passed at the 2014 Board of Directors meeting, on the Friday prior to the Great Peppers' Meeting, that you may vote for one candidate.

Earl "Who" Gorum (GP of Piney Woods Pod) asked why the By-Laws had been changed for elections with more candidates than open Director seats. Richard Knight informed audience that Larry Burruss petitioned the Board 60 days prior to the 2014 Great Peppers' Meeting to change the By-Laws.

Earl also questioned why the 2014 Great Peppers' Meeting Minutes were not distributed following the meeting. Ted Fichtl said that all minutes were sent out following the 2014 GPM and a second copy was sent 45 days prior to the 2015 GPM.

Renee Moore (GP of SOT Pod) asked that all Great Peppers' be made aware of any By-Law changes in a separate notification other than Meeting Minutes.

Ted Fichtl made a comment that a discussion was held during the Town Hall discussions on Friday in regards to communication from the Board of Directors. Ted said it will be a priority that we disseminate information effectively, and quickly, following all meetings and that Great Peppers' cascade the information down as effectively.

Motion by Richard Knight to recess while Special Election votes were counted. Seconded by Kris Hudspeth.

Motion Passed: *Unanimous*

Motion by SAP CASI to reconvene and announce newly seated Director. Seconded by Piney Woods Pod.

Motion Passed: *Unanimous*

Results of the special election: David Manske was named Director, filling the remaining one year of Jenny Windsor's term.

Credentials Committee Report

Credentials Committee reported to the Board of Directors last month that the ChiliMAC provided all required paperwork that meets all of the requirements for consideration of being sanctioned as a new chili pod. Potential Great Pepper Kit Rudd said that ChiliMAC is based in Virginia and draws cooks from Maryland, Virginia, and Pennsylvania.

Motion by Piney Woods Pod to seat ChiliMAC as a new CASI Pod. Seconded by CASINova.

Motion Passed: *Unanimous*

Ted thanked the Credentials Committee: Tom Klug, Rick Thomas and Erik Ackerson.

The Committee recommended that all pods have their voting delegates seated. Actions to be taken from the 2015 Pod reports is to put Peach State and Green County Pod on probation, and the Board has agreed to adopt this recommendation.

Motion by Gladiator Pod to accept Credential Committee Report. Second by SAP CASI.

Motion Passed: *Unanimous*

Approval of Minutes of 2014 Great Peppers Meeting

A copy of the Minutes of the Great Peppers Meeting held in Irving, Texas on September 6, 2014 was in the booklet. Motion by Thousand Trails-Lake Whitney to approve the 2014 Great Peppers' Meeting Minutes. Seconded by Concho Valley.

Motion Passed: *Unanimous*

New Quorum

ChiliMAC was called and added to Pod Roll Call. New Quorum is 65 pods for the remainder of the meeting.

David Manske was called and added to Directors Roll Call. New Quorum is 11 Directors for the remainder of the meeting.

President's Message

Richard Knight presented the President's Address. In 36 years, CASI has grown from 9 pods to 65 pods. This shows that we have grown and we are still viable. Richard presented two questions for the body to consider: Will my pod be here 10 years from now? Will CASI be here 10 years from now?

Our local pods are the backbone of this Organization and if we succeed or if we fail, it is because of the people in this room. How can we ensure that we are here ten, fifteen, or fifty years from now? The first ingredient is what has made us successful in the past and what will carry us forward is *chili, charity and fun!* CASI cooks are the best cooks because we practice every weekend, we travel more, and we compete more than any other organization in the chili world. The CASI organization is respected for their work with local charities and their passion to help others in a positive way with every pot of chili cooked. Yesterday the Board voted to make that our mission statement. Fun, we are family and we have fun, let's go out and invite other people to have fun with us. The CASI method of fair judging and fair qualification for TICC has been maintained for many years, and works like a compass guiding our promoters and cooks through our chili world. But a compass is useless without someone who knows how to read it and how to guide others down a specific path. The second ingredient is volunteers. As I said the back bone of an organization like CASI is getting a new growth of volunteers. Everyone sitting in this room started out somewhere as a volunteer, either at a local cook-off or in a Pod itself. Volunteers speak from the heart. They are the ambassador for your pod and our CASI organization. We must see volunteers as more than a source of free labor or membership dues. Today and in the future CASI needs more volunteers. I truly believe our volunteers are the glue that hold your pods and this organization together and it will be that energy that takes us into the next 50 years. Don't ever question the value of volunteers, remember Noah's Ark was built by volunteers, the Titanic was built by paid professionals. The next ingredient is adaptability. CASI has been lucky in the last 3 years to retain a core group of sponsors that believe in our organization and believe in our mission. This sponsor pyramid will change, just as we have seen in the last two years. Their business will change, they will get new owners, new management and reorganization. CASI must adapt to the changing business environment and realize the way that we have approached sponsorships in the past needs to change. We need to refocus and grow the bottom of that pyramid by building new relationships with smaller groups and new businesses and grow with those groups as our current sponsors have grown with us. We need to move to have more sponsors. I challenge the pods to look for those small businesses in your area and let the sponsorship committee know so we can help grow that sponsorship. The smallest sponsor at your cook-off might be the next large CASI sponsor. As our sponsor base grows, our leadership group must handle and support these new companies as they grow with us. This leads to the next ingredient, leadership of change and communication. As Ted said we heard you yesterday, we need to communicate more. Pod leaders and Directors are people that must make this organization viable by constantly finding ways to improve procedures, not necessarily adding new ones. Sometimes the old KISS theory works. We need to constantly find new volunteers and find ways to engage with these volunteers. I see a lot of old faces in this crowd that has grown with me through the years and there is a lot of experience in this room to pass down to our new volunteers and new energy. I ask all of us, is it time to pass that baton to our new volunteers? I have found in this world that wet babies are probably the people in this world that like change. But to make this organization viable there must be constant change. Some changes will work, some will not. It is easy sometimes when a new idea doesn't work to be sidetracked by gossip or by opinions on why an idea didn't work or to point fingers as to who is to blame it didn't work. We all need to concentrate on the positive things that change rather than the negative. As the organization goes through these changes we should not dwell on those that divide us but we should revel in those that unite us and make us a better organization. We have all the heard the old saying there are 3 kinds of people, those that make things happen, those who watch things happen, and those that say what the hell just happened. I leave each of you today with a challenge. Be the change that you want to see in this organization and if you can't be the change, get

out of the way and support those people who are. I won't be here 50 years from now, as most in this room, but I want our legacy to be here 50 years from now. Thank you for being here today, and thank you for being a part of that change over the last 36 years. Let's make this organization the greatest sanctioning body there is in chili today.

Regular Election

Ted Fichtl discussed that we are going to go ahead and pass out ballots for the regular election. Ted informed everyone that candidate applications could be found in the GPM Book.

The candidates are running to fill 2 two year terms and 2 three year terms. CASI Bylaws V.5.2.a will be used to determine the term of service.

New Candidates

Keith Longabaugh, Don Hoy

Incumbent Candidates

Kris Hudspeth, Susan Armand, Patti-Meyers-Jones

Ted asked all delegates if they would prefer to wait until after lunch, and the consensus was to pass out the ballots now and announce the results at the end of the meeting. Ted also mentioned that the By-Laws say that you may vote for no more than four candidates.

Ballots were also passed out for Great Pepper of the Year candidates.

The nominees are:

Candi Knight
Carrie Kinnison

ED Report

2015 ED's Report

“As the Chili World Turns”

This year has been like a TV Soap opera for me, there have been heroes and villains, marriages and divorces, things similar to court cases, and very few things have been similar to a beautiful four part harmony. Notwithstanding, I think this has been the most enjoyable and gratifying job I have had in a long time. Some might say I have been too divisive, some say I have been too much of a good time Charlie, but I have had a great time doing this job. It is very clear to me that misunderstandings are still abound. We are a 501(c) 3 organization and we must abide by the law. Like it or not there are things we must do with our money, there are things we can't do with our money, there are reports we must make about our money. The good ole days of running CASI as a collection of backyard cook-offs is long, long gone. In reality if we try to bring that back, things might look good over a stove, but things could really unravel quickly. One of the big misunderstandings I have encountered this year as ED is who makes up the rules. I can't tell you how many times I have received messages asking “when did you make that rule, why did you make that rule?” The Board and the ED don't make the rules, the people who make the rules are seated out in front. This is done every three years and we, the Board of Directors, are required to abide by those rules. There are times when there are ambiguous aspects to those rules and in cases like that, we have committees that the Great Peppers have also approved to help us adjudicate that. Not everyone likes what comes out of those committees, but some times they can make everyone really, really happy. I would also like to point out to you that the Board of Directors are required to annually sign a Board of Directors Code of Ethics. These include conflict of interest, how we should use compensation should we receive any. We are bound by law to behave responsibly, execute our business mission responsibly, and be fiscally accountable. I think you will see in the financial part of this meeting, this year there has been a great deal of fiscal responsibility and accountability and we can't always make everyone happy. I can't tell you how much time was spent deciding polo's or no polo's, and at what price, and then the issue of getting competitive quotes. The decision was made to purchase polo's with the approval of the entire Board, with pockets. We made lots of progress, we have the CASI store. We were probably too conservative with how we started the store, because we were conscious of money. What is in the store is the reflection of the survey that was sent out prior to the store opening. Our plan is to revise and restock the store on the basis of the returns of the purchases made versus asking for more money. As it stands right now we have had about \$2,600.00 in sales and that is against the initial inventory cost of about \$6,700.00. Susan Armand and Kris Stewart have done a fantastic job with the management of the store, inventory control, and budget analysis. There has been a lot of discussion about how effective this Board is, I have received over 150 emails this year saying the Board is divided and you only disagree. Nothing is further from the truth. Of the many votes that were taken this year by the Board, there were two or three that were less than super majority. To me this is an instance of the Board getting business done and moving things down the pipe. There seems to be some concern about our telephonic Board calls, being described as secretive. I have probably screwed up by not getting information about those meetings out fast enough and I will fix that. There is certainly nothing secret about them or any intention to keep them secret. The email votes that are a result of those calls are published into meeting minutes and affirmed face to face at Board meetings after the fact. The point I am trying to make is we are CASI cooks, we are volunteers, and we have no incentive to hide things from you. I have never heard anyone on this Board say we need to keep that under tabs. I would also like to say it is really neat when someone says you will have to answer to the Great Peppers, I feel very comfortable with that. I am going to ask you Great Peppers out there to do us a favor too. Don't wait until the Great Peppers meeting to raise your questions or air your pot shots, take them all year round. That is the only way that we can get better and improve month to month and action to action. We made some big leaps. One of the big leaps was Cooking

for CASI. This was an idea that was born in the ranks of the Great Peppers and is gaining impetus in the ranks of the Great Peppers. I think this is outstanding. The energy and creativity going around to create ways to raise money at these cook-off is totally exciting. We have done extraordinarily well with sponsorship. Richard has spent numerous hours putting together this team of sponsors that will hold us together for many years. Thank all of you who are members of Friends of CASI, thank all of the Pods. There was a significant uptick in the support of Friends of CASI. We did have a couple of setbacks that we are working on. We have a lot of rules that are ambiguous, we have a competent and experienced Rules Committee that is going through and providing additional information on how to implement and enact those rules so that the ambiguity goes away. There is also rule ambiguity, in the sense, of where do the roles of Great Pepper and Regional Ref start and stop. We are going to be putting out information to help clear that up. We need volunteers! We need volunteers at TICC at the gate, bar, and Friday events. Finally, this Board is not the repository of all the good ideas in CASI. Ted asked Jim Stateczny to present a special message.

Message from Jim Stateczny

About 8 years ago, Guy Smith, Mike Strack, Myrl Coultas and Preston Shaw came up with an idea to form a group called the Apple Dumpling Gang, and I was to be the Grand Poohbah. I told them I wasn't interested, and they keep talking and talking and finally I agreed to it with the understanding that I had the final say on everything. This started out as a joke. It was setup for us old directors to get together, shoot the bull, and have some drinks. We are not secretive, we are not coercive, we are not anything. We are just a bunch that have a hard time finding the time to get together and have a cold adult beverage. This is all the Apple Dumpling Gang is. No more, no less, no matter what else you have heard. Ted sent me an email with some challenges that he wanted me to get with these members and come up with some answers. The questions that he posed to us are very simple. They look at the state of our organization. Look around folks, we are getting old, and we don't have the energy that we once had. The organization is starting to reflect that. What can we do to regenerate that and get the juices back flowing? We are fighting the same battle that every other membership organization fights. We are dying. Membership organizations are not a popular thing any more. Back in the 60s and 70s all we had on the TV were NBC, ABC, and CBS. Today we can do anything with our cell phones. My kids, your kids, are not interested in CASI. How do we turn that around? How do we make this organization something that will start to grow? Somehow, some way we have to get them back involved. Now us old people, we don't tend to leave real easily because we don't believe that our replacements can do things to the level that we have brought this organization up to. I am guilty of this. I didn't want to leave, but it was time. It was time for me to retire from CASI and let the new leadership take over. It didn't go as smooth as it could have, it could have gone without feelings being hurt, but that's the way things are. My grandparents, when they left the organizations that they built, left the same way. They don't understand the history. We have to find a way to make our chili cook-offs draw attention to themselves. When I started cooking chili in the late 70s and started putting on cook-offs in the 80s, it was a job. It was a job to take your event, schedule around other events, and round up your sponsors with the goal of spending no money. Once you did that, the event was guaranteed success. People ask what is wrong with showmanship. I will tell you what is wrong, I don't like playing my accordion to a wall. People that do showmanship like to hear applause when they are done doing their show. How many cook-offs do we go to today that is just the cooks? Nobody else is there, and that is what we have to change. Is it an easy thing to do? No. Do we have the answers? No. These other membership organizations, the Elks, the Lions, are fighting the same problem. It is my opinion, and the opinion of the Apple Dumpling Gang, that if we can bring the energy back to chili cook-offs that we can actually bring the organization up to the next level. Now that is not an easy thing to do, and it doesn't guarantee success. What do my kids like to do? Healthy, we have to be healthy, we can't sit around drinking beer. One of the things that some of you might not want to hear, but this is the

type of bullet that we are going to have to bite. When I first started putting on chili cook-offs, and I had the big show team, you had to have 25 cooks to have a chili cook-off. That is a lot of work, ladies and gentlemen. In the late 80s that was dropped down to 15 cooks. How many of our cook-offs have a total attendance of about 30 people, and that includes the 15 cooks, a couple of spouses and friends that you can con into coming to judge. That doesn't get the excitement, and that doesn't get the public's attention. Chilympiad, my first cook-off, Chilympiad, had 625 cooks! That got your attention, ladies and gentlemen. What do you have today? TICC, folks, we are losing it out there too. Back when I was a Director, day admissions was how we made our money. Back in the days when the gate hit \$32-34,000, that was great. This year we hit \$36,000, that wasn't so great. Why, because we were charging \$15 a head and this year we are charging \$40. Attendance is going down there too. It's all about show, about big show. We have to figure out a way to get big show back to our chili cook-offs and back into the organization. We have to figure out a way to attract 20 year olds, 30 year olds. My two kids are 37 and 39. Dad, we are not interested. You see where I am going with this. All of us people here, we have been here way too many years. We have to get the younger people involved. We have to find a way to bring that energy and excitement back into the world of chili. We talk about what we charge, we don't charge anything. Look at our competitors. They don't charge double, triple, or five times what we charge. They charge 30 times, to cook chili. One of my friends made a comment last night, it's about time the CASI Board of Directors stops nickel and diming the chili cooks. How many times have you heard that chili cooks have to pay for everything? It all comes down to attendance. If we had more attendance, we could raise more money, and everything would work out. Ladies, and gentleman, I am going to leave you with that right there. I think we all know what the problem is. It is up to each and every one of us to fix it and put the energy back into cooking chili.

Treasurer Report

Richard Knight presented the financial report with Mary Ellen Gillen. The financial reports were included in the back of the GPM book. Richard presented a comparison summary of 2013-2014. Total assets was \$503,000 compared to \$500,000 in 2013. Our total liability is \$0. As an organization we should be very proud that we have no liabilities, we own the Ranch and have cash in the bank. One way to look at it is, wow we have a quarter of a million dollars in the bank. If you look at the \$250,000 that we have in the bank, about \$135,000 is the Scholarship account. As a 501(c) 3, by law, we can only use that money for scholarships. If you take that out, the \$250,000 minus scholarships and the roughly \$85,000-\$95,000 in administrative costs, is basically our Life Member Reserve fund. This is our savings account. Just like in our own bank accounts, some times we have to dip into that and take money out. This Board is trying to pay that money back and replenish what was taken out the last 3-4 years. Mel Fitzhenry asked if we could break down the reasons why there was roughly \$50,000 that has been taken out of the Life Reserve. Richard said that if you look back at the 2011 fund balance, our total assets in the bank was about \$300,000. The money spent for outside expenses, like TICC, if we don't have the profit at TICC, then that money has to come from the General Fund to cover it. In 2012, the net cash increase, meaning that we spent more as an organization than we brought in income was -\$53,000. 2013 was -\$18,000. In 2014 we said wait a minute we have to stop the bleeding and the net cash increase was +\$17,000. The net cash difference between 2011 and 2014 was \$54,000. Mel asked what caused this that is a huge amount of money. Richard said, like Jim just said the gate is down at TICC, and this Board was not the Board of 2012 and we have not gone line by line to find out why. This is what is today, this is what we are reacting to today, and this is how we are stopping the bleeding today. Mel, I can't answer that unless I go back line by line. One of the biggest factors was the doubling of insurance. We went from about \$14,000 to \$25,000. That was one of the things that we had to change in 2014, where we increased from the initial \$1 per cook to \$2 per cook, per cook-off to bring that around. You will see that the net cash increase from 2014 to

2015 will be better. Richard then went over the line by line comparison from 2013-2014. TICC Numbers: Friday events generate no revenues, all revenues go to the scholarship fund. Expenses for Friday events are underwritten by sponsorships. Bar sales in 2013 lost \$3,900. In 2014 our bar expenses went down and we had a profit of \$6,600. This resulted in a two year swing of \$10,000. Our stores had an excellent year, with a net profit of \$10,000. In 2013 we lost \$3,300 in the stores. Mel Fitzhenry asked why on pre-order wine sales we have a revenue of \$14,243 and expenses of \$15,532. How do you have more wine purchased than what you have pre-orders for? Richard said that this goes back to the last 2-3 years. We try to compare what Jim Ezell would order, which was generally more than what was pre-ordered, because we would usually sell it. We are going to put in a cash register at the main bar this year to track individual sales. Mel asked what the product cost of \$11,745. Kris Hudspeth said that this was soda, water, and beer cost for the bars. Mel asked if we only made \$1,000 selling beer and soda at TICC. Kris said that the beer, soda, and water cost was for both the main bar and Krazy Flats. The revenue from the bars was \$19,000 in revenue combined. Participation related, what we are spending for the participants. We have no revenue coming in here. In 2013 we discussed the possibility of a Gate Fee and decided that was not a good idea. What we spent on jackets, shirts, champions travel, and stoves was \$25,000 in 2014 compared to \$27,000 the year before. In other TICC related expenses and revenues, we have vendors for \$2,700 which was down. The horseshoe tournament brought in \$260 versus \$206 in expenses. We have decided not to continue the horseshoe tournament in 2015. Gate this year brought in almost \$36,000. In 2015 we will be offering one day armbands for \$20.00, and we will have different color armbands for each day. The 2013 gate was \$39,000 but we spent about \$6,500 in radio spots in Midland/Odessa and Hobbs, NM which had little return on investment. Compared to expenses, our gate was up a little in 2014 over 2013. Entertainment costs for 2014 were \$5,400 versus \$6,800 in 2013. Thank you to the Pods for the contribution to the Porta-Potties last year, this brought in \$2,900.. Security was way down, the \$10,000 in 2013 expenses actually had some roll over from 2012. In 2014 our cost was significantly reduced by using off duty officers versus a private company. In 2015 we will be looking to reduce this cost even more. If you look at total TICC other expenses, we had expenses of \$67,000 in 2013 and expense of \$44,000 in 2014. Our revenue stayed consistent year over year but we significantly cut our expenses. Mel Fitzhenry asked why we are spending \$3,565 in winner's travel when we are in a financial crunch, and why wasn't this looked at during the budget cuts. We are trying to repay the \$50,000 and we need to consider cutting this for a few years until we get into a better financial position. Ted Fichtl mentioned that a lot of this travel is tied with cook-offs for a lot of our major sponsors, and we get a lot of positive publicity out of this travel. Vickie Childers asked exactly where our Champion has traveled. Jason Goains has traveled to Minden LA, Orlando, TX Open, TX Men's State, Choctaw, Route 66 MO State and will be going to the Woodbridge in CA. Richard mentioned that Minden is tied in with Bruce Foods, and Woodbridge with CA State. Vickie asked about the other cook-offs that were not tied in with a sponsor and why those were approved. Ted explained that the Winners Committee provides a list of must attend cook-offs and asks the champion for two or three cook-offs they would like to attend. Vickie mentioned that she would like to see the Board limit travel only to cook offs tied to a sponsor. Renee Moore asked what we do special for TICC Champion other than the trophy. She said that we should allow the Champion to revel in their year, and be a spokesperson for CASI. Some of these cook-offs are huge events that will provide name recognition for CASI. Richard mentioned that the Orlando cook-off has over 20,000 spectators and we have had champions feed the homeless and do press conferences at that event. This is a form of advertisement for CASI, not just an expense. Richard said that if there is someone that feels strongly enough about this, we can bring it up for a vote in New Business. One good part about TICC is that we give back to the community. Last year we talked with community leaders we contribute to and said, basically, we don't have the money that we use to have. We reduced our contributions from \$20,000 to \$17,000. If you look at the TICC total without sponsors, we have revenues of \$126,000 and expenses of \$153,000 that includes the contributions, we lost \$27,000 compared to the year before of \$80,000. With sponsors that underwrite the different contests, as well as the other sponsors that come in, we had a total revenue of \$174,000 with expenses of \$153,000. TICC in 2014 had a

plus of \$20,000 compared to 2013 which had a negative of \$1,200. Kris Hudspeth mentioned that our checks from Bruce Foods and Choctaw were late and did not get applied to the 2014 numbers. This is about \$12,000 that will show on sponsorship for 2015.

What does it take to run CASI on a day to day, business operation wise? We have tried to break out these expenses and compare them to the revenue stream that the expenses come from. With annual, corporate, and life memberships, in addition to the ads we sell in the Trails we brought in \$25,000 in revenue, against \$21,000 in expenses. Last year we had revenues of \$18,000 and expenses of \$24,000. Administrative costs had misc. incomes, sanction fees, registration fees. Our expenses are from President, ED, secretary, other directors, and Chilicity, this year we printed rule books, and had a misc. accounting adjustment. This year we had revenues of \$28,000 and expenses of \$34,000 for a negative of \$6,000. Mel Fitzhenry asked why we had director's expenses of \$10,732? He would like to see if there are comments about reducing or eliminating these expenses to save a little bit of money. Richard said that if you look at that line item, as a Board, we challenged each director to cut out as much travel expenses as we could. We have cut about \$1000 from 2013. Coming out of 2013, we didn't have another Board meeting until January of 2014. That is when we really started saying here is where we need to cut. Some of these expenses were starting to be cut in 2014 and you will see some more reduction in 2015. If you look this year at our YTD expenses thought August 15th compared to last year, our travel expenses have been cut another \$13000 in 2015 so far. Earl Gorhum asked what Rules and Sanctioning for \$2893 was. Richard said this was the printing costs for the new rule books, mailing out cook-off packets, postage for sending the rule books, and telephone bills. In 2013 directors expenses were \$14,000, in 2014 we reduced this amount by \$2,400 to \$11,600. Mel Fitzhenry asked what the misc. accounting adjustments were. In 2013 we had \$2988 and in 2014 we \$18, 648. Richard said that last year the \$2,988 was for our outside accounting firm, and in 2014 we reduced that to \$2,500. In 2015 we did our taxes in house, so that will be \$0. About \$14,000 of that was accounting adjustments during the 2013 Audit. Ken Armand, 2013 Auditor, said that we found that there was an account in cash that was showing un-deposited funds that had actually been deposited. That money was accounted as revenue twice in 2013 by mistake. We had to make an adjustment in 2014 to fix the balance sheet. Richard said that the \$14,000 was a lot of little entries that added up. The money was deposited it was just never taken out of the line item. Dave Hewlett asked that everyone think about everyone doing what they can to move towards an electronic packet versus a physical packet for cook-offs, when available. Richard mentioned that this could save CASI a tremendous amount of money.

Our insurance expenses in 2013 were \$25,000, which was almost double from 2012. As a Board, we made a decision that we would, based upon previous Great Pepper recommendation to counter act insurance increasing, add \$1 per cook. Mid 2014 we went from \$1 per cook, per cook-off to \$2 per cook, per cook-off. Because this was done mid-year, you will only see an increase of about \$4,000. The positive of revenues expenses was \$1,200. The Board made another decision to cut property insurance of \$3,800 and become self insured on our buildings. This was done because we have not had property damage for years and years. We will take the excess we get each year from insurance and put it in an account that will become our self insured account. We did this near the end of 2014 and we now have \$2,000 in this account. The revenues should be more this year, because we will have a full year at \$2.

Going to the next category, the Great Pepper's Meeting. Last year we had revenue of \$17,000 and expenses of \$ 14,538. Because of this, we put back \$3,000 in the general fund. In 2013 the excess was \$1,300. Next is the Ranch. The cell tower, in 2013 we had some late revenue coming in. Our contract was for \$500 month, we renegotiated that, at the end of the contract, to \$600 a month. Total Ranch expenses were \$6,600 versus revenue of \$8,400.

Total daily operations, we had revenue for 2014 of \$99,000 versus expenses of \$96,000, so the General Fund was a positive of \$3,000, which included the \$14,000 in adjustments. Compared to the year before where we had a negative of \$30,000.

Richard said as he mentioned earlier if someone gives \$1 to the Scholarship fund we can only spend that money on the Scholarship fund, it is a Reserve Fund. Last year we had revenues coming in of \$21,000 on Scholarships and we paid out \$30,000. Most of this goes directly to the students that we have in school right now, but does include some administrative costs. The administrative expenses are making copies and mailing the packets to the committee each year.

Legal and accounting expenses, the \$2,500 in 2014 was for our accountant to do our taxes. In 2013 we had some expenses in getting back our 501(c) 3, but we had contributions to cover those expenses.

To tie all of this together, we have talked about TICC, daily operations, depreciation, and sales tax we have paid. This year we had a net revenue of \$295,000 with expenses of \$292,000 which gave us a positive P&L of a little over \$3,000. This is compared to 2013 where we had a negative of \$30,000. Dave Hewlett mentioned that we might consider going electronic by utilizing the CASI shared drive for things like the Scholarship committee or any documents that need to be shared. Ted Fichtl said that utilizing this tool could represent a substantial cost savings over mailing and printing costs. Nancy Hewlett said that she is all for advancement, but the committee reads the applications for the Scholarships in their spare time and not everyone has the ability or means to use the shared drive at a cook-off. Preston Nickle asked if the shared drive was a secured drive. Richard said yes, it is secure. This is used through Office 365 which is a web portal currently being used by the IT Committee. There is about a \$20 expense a month for this.

Finance Committee Report

On behalf of the Board of Directors, the Finance Committee thanks Cindy Hoey for her service and time to review the CASI 2014 financial reports. Cindy is an Accountant/Controller at TBK Management, Inc. with 30 years of service in the accounting field. These are the findings that Cindy reported to the Finance Committee for review:

- During the Financial Review, the reviewer found a couple of entries that needed future review or explanations. After review with the CASI Treasurer, the entries were found to be correct and in the correct GL accounts. The entries were reviewed and explained with the financial reviewer and the reviewer accepted the explanation and the entries to be correct.
- Review of the 2014 accounting adjustments showed a \$1,590 difference. The \$1,590 was for entries made in 2013 that were not recorded properly and adjusted in 2014. It was determined by the Finance committee to leave this as originally entered.
- Review of the accumulated depreciation account was reviewed and a \$339 difference was found between the account balance and the depreciation schedule. The depreciation account balance was correct. The depreciation schedule was corrected to reflect the ending balance at 2013 as the beginning balance for 2014.
- Financial Reviewer verified with the CASI Treasurer that all sales tax filings were completed on time and all 1099s were timely mailed to the contractors and IRS.

- The reviewer reminded the CASI financial committee that entries should be corrected and not deleted to ensure an audit trail is available.

Other notes should include, but not limited to:

- The financial committee requested and the IRS approved the extension of the 2014 990 tax filing. The 2014 final tax return filing was reviewed and approved by the board in the Summer BOD meeting and the 2014 return was filed with the IRS on July 20, 2015 before the deadline of the August 15 extension.

- The Executive Director presented and the board reviewed the expiration date of all trade and service marks at each meeting of the Board of Directors during 2014 and CASI is current with all trade and service marks.

Motion by Tall in Texas Pod to accept Financial Committee Report. Second by SAP CASI.

Motion Passed: *Unanimous*

Trails Report/Poster Unveiling

Dana Plocheck thanked Carol Knight for the review and formatting help each month. Tuesday, September 15th is the deadline for the TICC Trails, which is a big issue. Dana asked that all articles, pictures, additions or deletions be sent to her as soon as possible. Dana announced that she is retiring from the Trails, and thanked everyone for their help. Pam Clark has stepped up to take over the Trails and is being trained remotely. Mel Fitzhenry complimented and thanked Dana for reducing expenses on the Trails printing and postage. Dana mentioned that this was due to getting corrected addresses and moving to smaller boxes. Dana asked that all members make sure their information is up to date in CIS.

Dana unveiled the 2015 TICC poster. The design for the poster came from Elizabeth Pennell, of Tucson, AZ inspired by art work of Gail Fisher of Sierra Vista, AZ. Dana said that this reminded her of the older more traditional posters, and even said that the printer commented on the poster. Dana thanked Mike Watkins for his help with the logos on the poster.

Sponsor Report

Richard said that we have had a good year with sponsorship.

Gold Sponsors:

Bruce Food's

The Cajun Chef girls, and Si will be at TICC this year. Cody Oliveria has taken a position with a Sweet Potato company, but Si has assured me that Cody is very much a part of his involvement with CASI and said that he will have Cody at TICC.

Tequila Rose

Carol and I had lunch with Stephanie on Thursday and they are back this year. She and Carol have a lot of great things planned for the Tequila Rose party on Wednesday night. This year for the Tequila party they have asked to feature their Houssan brand tequila, instead of Tarantula.

Woodbridge

This is one our largest monetary sponsors that we have. They are bringing a larger crew this year for more tastings.

Hill Country Software

HEB

Tyson

Is again sponsoring the wings this year, along with other events throughout the year.

Southeastern Mills

Louisiana Hot Sauce was sold to Southeastern Mills this year. Through a lot of conversations and some pushing from Si, they are a new Gold Sponsor this year.

We are still trying to work with L&F Distributors (Bud) and Glazer's (Miller/Coors) to come back as Gold Sponsors.

Silver Sponsors:

Mrs. Renfros

Outlaw Cigars

Forever Resorts-Big Bend Motor Inn

They furnish water to keep the dust down on the roads and provide a dump station

Choctaw

Lone Star Spices-New Sponsor this year

Pendrey's Spices-New Sponsor this year.

Pendrey's has donated \$10,000 this year. \$8,000 of this went to the scholarship fund and \$2,000 is recognition for a Silver Sponsor.

Friends of CASI

Over 50+ individuals have joined Friends of CASI this year. This will be over \$30,000 in monetary and product donations. This is equal to a bunch of Gold Sponsors! If you see a Friends of CASI member, stop them and say thank you. This is the largest this program has ever been.

Ranch Report

Robert Schrade said that this is the last Ranch Report he will give. We have a lot going on around the Ranch. We are trying to get the wall around the dance floor repaired, we are adding shades behind the stage, doing a little plumbing work on the pump that we installed last year, adding a French drain to the Old 320 area, and normal ranch maintenance.

Robert thanked Pat and Ray King, Jerry Hunt, Randy Duke, Roger Foltz, Luis Gonzalez, Larry Burruss, Tom Williams, Lyn Hejtmanck and Jim Ezell for the use of his place. The last person that I want to thank is Connie my wife.

Now to coin a phrase from Bucky Seelig, "Stick a fork in me, I'm done!"

Governance Report

1	CASI & Design Logo	Texas	4/2/1984	4328417	Conducting Chili Cooking Contest (IC 41)	4/11/2019
2	CASI & Design Logo	Texas	4/11/1984	4333917	Misc. (IC 42)	4/2/2019
3	Terlingua International Chili Championship	USA	12/30/1997	2,124,956	Entertainment svcs, namely, organizing, promoting, and conducting chili making contest and events promoting chili (IC 41)	12/30/2017
4	CASI & Design Logo	USA	6/19/1990	1,602,975	Organizing and conducting chili making events (IC 41)	6/19/2020
5	CASI & Design Logo	USA	9/29/1989	1,664,573	Indicating membership in applicant organization which is an association of persons interested in chili and chili making (IC 200)	11/12/2021
6	CHILI APPRECIATION SOCIETY INTERNATIONAL	USA	5/25/1993	1,773,206	Services related to organizing, promoting, and conducting chili making contest and events (IC 41)	5/25/2023
7	CASI - Word Only	Texas	10/1/2014	8020546607	Service related to organizing, promoting, and conducting chili making events	10/1/2019

Note: Above Handled by: Mark Miller, Attorney, Jackson Walker, L.L.P., 112 East Pecan, Ste 2400, San Antonio, 78205 210-978-7751/ mmiller@jw.com / www.jw.com

Current CASI websites/domains:

	CASI Domains	Renewal Due:	Registered Name:	Company :
1	casichili.net	9/28/2017	CASI	Weebly
2	casichili.com	8/29/2016	CASI	Go Daddy
3	casichili.info	10/3/2016	CASI	Go Daddy

4	casicookoffs.co m	8/1/2016	CASI	Go Daddy
5	casicookoffs.inf o	8/1/2016	CASI	Go Daddy
6	casicookoffs.net	8/1/2016	CASI	Go Daddy
7	casicookoffs.org	8/1/2016	CASI	Go Daddy

Tax Filings Due Dates:

	Forms:	Due Date:	State/Fed	For Year:
1 Done	Form 990	5/15/2015	Federal	Due Annually - 15th day of 5th month past accounting period May be expended twice
2 Done	TX Sales Tax	1/20/2015	Texas	Due 20 days after end of accounting period Note: Write check in Dec & pay in Jan - Same year accounting
3 Done	Donor receipts	1/15/2015	Federal	Due to donors contributing \$250 or more at one time when cash. \$75 or more if they receive something of value in exchange. Specific language required on receipts.
4 Done	Form 1099- MISC	1/31/2015 2/28/2015	Federal	Due to service providers by 1/31; due to IRS 2/28. Also to Awards winners, when taxable (not the scholarships) \$600 or more during the year
5	Non-Profit Periodic Report	4 years - 2017	Texas File#674739 01	A form to reaffirm our nonprofit status and to update our officer and director list; last completed 09/12/2013. The notice is send to the CASI Registered Office and Agent: Jim Stateczny-Boerne, TX

In the coming year, we will look at reformatting and republishing the By-Laws, not to change anything but, to standardize the formatting and making them easier to read.

Alcalde Report

Bob Steinle said that there were 67 members in attendance at the Old 320 meeting. On Saturday at TICC, 224 cooks cooked in the Old 320. We did raffle off 2 stoves and they were won by Kathryn Cavender and Barbara Herrin. This year, we will continue the raffle of 2 stoves for cooking in the Old 320. You do not have to be a member of the Old 320 to cook in the Old 320 and participate in the raffle. If you want to cook in the Old 320 and are not a member, please come see me and we will come find you a spot. If you have an Old 320 spot and are not cooking on it, please make sure you let me know that as well. Registration will be Wed-Fri and we could use a couple of volunteers to help. This year we are offering the wall plaques in the Old 320 area. Bob will provide the materials to install the rocks, and Connie will provide the plaque, but you are responsible for picking out your rock, digging the hole, and setting the rock. Plaques are 8x10 and hold 4 lines of print. The deadline for ordering the plaques is October 1st. TICC work party is Wednesday, November 4th. This will be marking the arena and refreshments are provided. Finally, I have been asked to handle the culled chili sales. I will need volunteers to help with this, and we will talk about it some during our meeting Friday at TICC.

Tim Collier asked if the plaques were still only for pods, or if this has been opened up to everyone. Bob said that they originally started just for pods, but has been opened up for memorials as long as they are tasteful.

Mel Fitzhenry asked if we are trying to develop a plan to reclaim Old 320 spots that are no longer used. Bob said that we have a waiting list that is about 25 people long, and over the last few years Ralph shook that tree pretty hard trying to get people to turn spots back in. We continue to try and work on that. Mel asked if there was a thought to try and offer to buy the spots back. Bob said that this was brought up a few years ago at a 320 meeting. It was approved at the meeting and brought before the Board and was turned down. Bob said that if this is brought to the floor at the Old 320 meeting he will be happy to have discussion about it.

Membership Report

Connie Collier provided the Membership Report. Our total membership is down a little bit from last year, but our Life has increased by about 20. This last year we have had about 188 new members. We are still getting new members, it is keeping the old members.

One of the reasons that we have seen an increase in Life Members is because right now our Life Member fee is \$225. Starting October 1st it will go up to \$450. This was decided at the June Board Meeting.

We have talked a lot this weekend about getting new membership, and like Jim said, we all have to be excited about our organization. I remember the first CASI cook that ever spoke to me and invited me to a social. I want to be that person for a first time cook. This year I talked to some members that have cooked chili for 3 years before a CASI cook even spoke to them. We need to watch for new faces at cook-offs. I have had so many judges ask me what is CASI about.

A few things that I would like you to go back to your pods with. You can renew several ways:

mychili.org,

You have to have log in and password to renew through mychili.org. If you have forgotten these, email me or call me and we will work that out. If you are trying to renew, do not join as a new member.

Checks by mail is still fine as well.

Remind your pods that dues must be paid by September 30th to cook at TICC, we are allowing a grace period of October 10th. There have been some questions about this. You must be a current member to cook at TICC. This year TICC is November 7th. If your dues expire on October 30th, you are not a current member as of November 7th. If your dues expire on November 30th, you are good.

MEMBERSHIP SUMMARY

as of August 10, 2015

<u>DATE</u>	<u>ANNUAL</u>	<u>LIFE</u>	<u>CORPORATE</u>	<u>TOTAL</u>
Sept. 2015	787	525	21	1333
Sept. 2014	853	503	28	1,384

Sept. 2012	790	507	23	1,320
Sept. 2011	954	504	40	1,498

Memorial Board List 2015

Eddie Albert – Crane, TX
 Joe Amyx – Denton, TX
 Charles Black – Shreveport, LA
 Phyllis Brewer Graves – Shreveport, LA
 Judith “Judy” Haberman – Scottsbluff, AZ
 Mark Holbert – Weatherford, TX
 Junior Johnson – Lamar, MO
 Roylene Johnson – Ottumwa, IA
 Ricky Milich – Robinson, TX
 Sue Yvonne Moore – Austin, TX
 Dillon Palmer – Mansfield, TX
 Sam Pendergrast – Abilene, TX
 John Raven – Fredericksburg, TX
 Mary-Lyn Rheinhardt - Canyon Lake, TX
 Kenny Seabolt – Bixby, OK
 Don Seifert – Houston, TX
 Jim Tomlin – Sierra Vista, AZ
 Donna Von Gentz – El Paso, TX

Tallymaster Report

Richard Knight presented the Tallymaster report. The number of cook-offs are down, but the number of cooks qualified has increased. This report is as of August 15, 2015. Gradually we have decreased in the number of cook-offs held as well as the number of chilis judged. Cut-off for the September cook-offs is Oct 12th

Cook-off Year	Cook-offs Held	Chili's Judged	Cooks	SS Raised	\$ Change over
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2015	425	12,658	336	143	1,257,443.00	(33,266.50)
2014	442	12,806	319	129	1,290,709.50	123,481.38
2013	463	13,594	327	151	1,167,228.12	(77,780.88)
2012	456	13,308	357	143	1,396,053.53	47,862.25
2011	481	13,828	371	156	1,348,191.28	103,182.28
2010	489	14,319	372	169	1,245,009.00	137,426.00
2009	464	14,056	363	161	1,107,583.00	78,852.00
2008	480	13,611	358	161	1,028,731.00	16,593.00
2007	465	13,666	328	146	1,012,138.00	97,054.00
2006	471	13,068	336	152	915,084.00	-

Upcomings Report

Report from Dorathy Williams, presented by Patti Meyers-Jones:

Upcomings Report as of this date: I have registered 472 CASI cook-offs. This number will change daily from now until the GP meeting. I am sure it will increase to well over 500 by October 1st. These events are registered from October 2014 thru October 2015.

With the passing of the new rule for POD cook-offs to become an Automatic Qualifier for First Place Chili, the problem has arisen of which POD cook-off is designated as the AQ, since some Pods have more than one Pod cook-off in the year, only one AQ per year is allowed. There was also the problem of eligibility of the Pod cook-off to be designated as an AQ. To be eligible the Pod must not be on probation, or missed being in attendance at a GP meeting, or a new Pod not eligible for 5 years after being voted in. Bill Pierson and Jenny Windsor have compiled an eligibility list for me which is a great help. What I need now is for the Pod member submitting their registration for a cook-off to state if this is their AQ cook-off, I can then check the list to see if they qualify.

UPCOMINGS REPORT as of August 4, 2015 from CIS to include all listings through September

2014		CX or R/S	2013		CX or R/S	2012		CX
October	7	4		82	6		84	
November	3	5		34	2		26	
December	3	3		37	1		40	
2015			2014			2013		
January	4	4		45	6		35	
February	4	4		44	3		41	
March	6	7		58	5		51	
April	5	9		50	5		50	
May	5	3		54	1		42	
June	4	5		51	4		56	
July	3	2		38	1		40	
August	4	4		44	1		42	
September	4	2		58	2		61	
	55	5		595	4		568	55
Total	50			548			513	

Scholarship Report

Program Administrator – Nancy Hewlett

Committee Members:

Pam Clark (2012-2015)	Kathy Boone (2014-2017)
Janet Nash (2013-2016)	Glenda Vrba (2014-2017)
Doris Greenlees (2013-2016)	Candi Arevalo (2015-2018)
Tammie Wooster (2015-2018)	Jon Tupper (2-15-2018)
Mayo Blair (2015-2018)	

REPORT OF DONATIONS

AUGUST 5, 2014 TO AUGUST 1, 2015

\$ 3,723.65 Memorials and Donations
1,950.00 Texas Ladies State Scholarship
3,071.00 TICC RAFFLE
7,585 Friday TICC Entry Monies

\$ 16,330 Total

There was an additional \$5000 brought in from the Photo Club that went directly to students at Big Bend High School.

Memorials and Donations were down considerably this year.

SELECTION PROCESS

This year I received 97 academic applications and 7 trade applications. We awarded five academic and three trade scholarships.

Receiving Academic Scholarships:

Charlsey Smith, Blanco, Texas niece of Jerry Hunt

Andrew Goss, Shreveport, Louisiana

Kaylyn Cooper, Frisco, Texas

Lisa Romeo, Flagstaff, Arizona granddaughter of Merle and Nancy Coultas

Shelsee Clark, Killeen, Texas

Receiving Trade Scholarships:

Tegan Carrier, Scottsbluff, Nebraska

Thomas Pinnell, Shreveport, Louisiana

Jeremiah Baker, Shreveport, Louisiana

RECOMMENDATIONS

I am asking to unencumber the following funds:

\$500 (Matthew Hard), \$1000 (Natalie Jones) and \$500 (Jessenia Mercado)

Matthew and Natalie graduated early and thanked us for our support. Jessenia is no longer a student.

(Note: Board of Directors voted in the September 11, 2015 meeting to unencumber these funds)

Nancy Hewlett

Old Business

Motion by South of Texas Pod to approve Great Pepper's Meeting Rotation through 8 regions. Second by Concho Valley Pod.

Motion Passed: *Unanimous*

Based on the proposed Regions (see attached), the following Regions will host upcoming Great Peppers' Meetings:

2016: Austin, Texas

2017: East Coast

2018: Gulf Coast

2019: Mid-West

2020: North Texas

2021: East Texas

2022: Southwest

2023: Central Texas

Motion by Black Sheep Pod to not allow Gift Cards to be given as prizes at a cook-off. Second by Purgatory Creek Pod.

Discussion Ensued.

Second and Motion were withdrawn.

New Business

CASI IT Committee Report 2015 GPM

- Active March 2015 – Initially hard to form committee (Dave Hewlett was the key)

- IT members Ted Fichtl, Richard Knight, Dave Hewlett, Lewis Garrett, Rolland Pate
- Products research and viewed
 - Wild Apricot, AMO, Weebly, Caspio
- Caspio and Weebly products (May 2015)
 - Had a choice to look at Weebly and Caspio and work done in Caspio Shelly and Lee join CASI IT team in June
 - Caspio the better choice given prior work and ease of development.
- The requirements are driven by the team, current workers and members.
- The goals.
 - Maintainable Solution in place for full up testing by Jan 2016.
 - Cut over by Oct 1, 2016, start of the CASI year.
- Solution DEMOS
 - A demo was held for the BOD, CASI functional team on Aug 26th
 - GP demo covered Membership, Event, Tally, and the wealth of functions that are in place. Reports are unlimited and simple to create.
 - Dress up will be in the future.
 - Weebly will be the web provider.
 - CASICHILI.NET will be upgraded soon featuring a menu driven home web page. All existing links and files will be implemented.
- Online Emphasis
 - Security – Members and business users
 - Results submission
 - Event creation
 - Event views / Calendar views
- Future development
 - Donations page
 - TICC gate and registration lists
 - CASI Trails feeds, Some are in place.
 - QB links
 - Develop training videos
 - Develop online help guides

The CASI IT infrastructure costs are booked into two different categories of expenses:

1. Recurring Cost (cost which recur monthly or annually)
 - A. www.casichili.net (Weebly)
Production site \$79 annual cost

- B. Caspio Database production site - \$199.20 per month - \$2390.40 per annual
- C. Office 365 (cloud base sharing) - \$48 per month - \$576 per annual Includes shared drive and casichili.net emails

TOTAL Recurring Cost: \$3045

2. Development Cost (one time cost related to development of IT infrastructure)

- A. www.casichili.com (Weebly) development site
\$79 annual cost

- B. Misc. software
\$135

TOTAL Development Cost: \$214

Election of New Directors

The newly elected Directors are:

Keith Longabaugh- 3 Year Term 68 Votes

Kris Hudspeth- 3 Year Term 63 Votes

Susan Armand- 2 Year Term 56 Votes

Don Hoy- 2 Year Term 49 Votes

Motion by Thousand Trails-Lake Whitney Pod to Recess for election of CASI Officers. Seconded by Piney Woods Pod.

Motion Passed: *Unanimous*

Meeting was called back to order by Ted Fichtl.

The 2016 CASI Officers are:

President- Richard Knight

First Vice President- Kris Hudspeth

Second Vice President- Harvey West

Executive Director- Ted Fichtl

Treasurer- Mary Ellen Gillen

Secretary- Cindy Noe

Closing Statements

Ted Fichtl thanked everyone involved for a very successful meeting. Thank you to all Great Peppers, Regional Referees, Directors, and volunteers for all that you do for CASI. I appreciate all the feedback that I have received this year, it helps us all grow and get better.

Next Meeting

The 37th Annual Great Peppers meeting will be held on Saturday, September 10, 2016 in Austin, TX.

Renee Moore thanked Robert Schrade, and Patti Meyers-Jones for the work that they have done as Directors, and Jenny Windsor and Dorothy Williams for their work as off-board support.

Dave Hewlett thanked the Board for all of the work that they have done financially and thinks they deserve a great accolade.

Motion by Black Sheep Pod to Adjourn. Second by SAP CASI.

Motion Passed: *Unanimous*