

OHPBA Board Meeting

February 19, 2010

McMenamin's Edgefield, Troutdale, OR

Attending (*indicated)

- *John Frankel, President
- Ray Horowitz, Treasurer
- *Linda Ommen, Vice President
- *Tony DiDomenico, Past President
- *Fred Kirkpatrick, Region 9 Director
- Dan Bonham, Eastern Oregon Area Director
- Chad Clark, Director, Manufacturer's Rep.
- *Warren Hench, Western Oregon Area Director
- *Mike Kohn, Southern Oregon Director
- *Roger Sanders, Central Oregon Director

Staff:

- *Harvey Gail, Executive Director

1. Call to Order

John Frankel, President called the meeting to order at 12:14 pm. He asked the group to review the minutes of the November board meeting.

2. Approval of Minutes

The group reviewed the minutes of the November 20, 2009 board meeting. It was noted to make a correction on page four: John Voorhees is with Intertek.

PASSED

Motion to accept the minutes of the November 20, 2009 OHPBA board meeting with the correction as noted. MM L. Ommen; MS S. Chulos. Motion carried.

3. Old Business

A. Use of Funds from the HPBA "Drive for 25" Contest

Frankel asked about the use of funds from the Drive for 25 Membership Contest. The group discussed several ideas and Gail suggested a few more ideas. One suggestion was to use 25% of the funds for the membership committee to support its various activities, such as the breakfast meetings, and the rest move into the Certificate of Deposit. No decision was made on that and further discussion will take place at the next board meeting.

4. Financial Report

Ray Horowitz was not able to attend the board meeting so Harvey Gail gave the reports. Profit and Loss statements and balance sheets were distributed for December 31, 2009 and January 31, 2010. Some of the line items were discussed.

A clarification was made regarding leader's travel. Costs will be split with NWHBA and the policy is that two days and two nights. The policy is expenses for the Region 9 Rep. will be paid for half the travel cost or up to two nights with the cost split with NWHBA. Kirkpatrick said he will be reporting his expenses for 2009 that will also include EXPO 2010 travel.

Gail discussed the issue of attributing dues into the same year in which they are members, not in the year they actually paid. This is because a lot of members pay for the next year in December, but until now our accounting procedure has been to attribute those to the year the funds were received. Gail said it would be more accurate to account for them in a liability account called "unearned dues revenue" or "prepaid dues revenue." He also pointed out that if we make that accounting change, dues for 2009 will be lower unless we go back every year and make the change. As that would involve a lot of work, it was agreed to make the adjustment in 2010 in the fall for both 2009 and 2010.

Gail asked the board to review some of the budget items. He said the EXPO profit budget is based on an estimate provided by HPBA in October of 2009. It was agreed we should lower expected EXPO profit by 15% (in rounded numbers). Other categories were recommended to leave the same, although membership revenue will need to be monitored. Gail said annual meeting income could be more than indicated, but we should not change that yet. Fred Kirkpatrick pointed out that NWHBA will be calculating the amount of staff time spent on managing the conference. Gail said he is also tracking that figure and has been since January.

PASSED

Motion to accept the financial report for December 31, 2009. MM M. Kohn, MS T. Didomenico. Motion carried.

PASSED

Motion to accept the budget report for 2010 with a reduction to EXPO profit by 15% (in rounded numbers). MM L. Ommen; MS S. Chulos. Motion carried.

4. New Business

A. HPBA Region 9 Board Representative

Frankel said Tom Pugh has agreed to take the Region 9 Board Representative position that is being vacated by Fred Kirkpatrick. Frankel reported on a conversation he had with Tom Pugh a few days earlier. Frankel said Pugh expressed his confidence in what OHPBA is doing, its leadership, and executive director.

Ommen asked why NWHBA did not choose to allow Fred Kirkpatrick to continue as HPBA Rep. for the next year. She noted HPBA had asked us to make that consideration, but NWHBA's board decided to replace the Region 9 Rep rather than extend Fred Kirkpatrick another year as Region 9 Rep. No reason was given, but the board agreed it was NWHBA decision to make.

Sanders asked why Tom Pugh was not in attendance at the meeting. Frankel said that he had not been invited to this meeting but planned to meet with the Oregon board after he assumed his position. Sanders noted that in the past when the process of replacing the Region 9 Rep. came up, we have had the nominated person to come before the affiliate's board to ask questions.

Frankel said Pugh will meet with us on Tuesday May 25 (at our Spring Conference) since he can't be at our board meeting since he is at another affiliate meeting. Frankel said he asked Pugh questions about serving as the Region 9 Rep. Sanders asked if we could ask Pugh those question again, but get his

answers in writing. He suggested a cover letter and some basic questions. Frankel said that Tom Pugh would welcome our vote of endorsement.

Frankel asked what we would do in the unlikely event our board would disagree with the choice of Region 9 Rep. Sanders said it would come down to a vote of the members of both affiliates. So far we have always agreed on the Region 9 Rep position, so we have not had to take it to that level.

Frankel said he talked to the affiliate oversight group from HPBA in Orlando last year about what we are doing here in Oregon, and after that conversation the group agreed Oregon as an affiliate is a successful model.

Kirkpatrick expressed he felt Tom Pugh should make an effort to serve all three years because if he doesn't, his replacement would not have a lot of time to learn the position and be effective on the HPBA board. Fred also suggested that in his role of Region 9 Rep. in the event NWPBA and OHPBA differ in opinion on an issue requiring a vote by the HPBA board that the Region 9 Rep should abstain from the vote.

Frankel encouraged the board to consider an on-line meeting over Skype (video conferencing) in lieu of a future teleconference board meeting.

B. Nominations for 2010-11 Board of Directors

Fred Kirkpatrick after March he will not be an OHPBA board member. Sanders asked if we might create a new board position, or fill the position with a current board position. Linda Ommen said she is looking at a possibility that she might not be employed in the industry. She said that participation on the board results in many meetings that might be a burden on her employer. So, she suggested we might need to consider that possibility. Kirkpatrick said he would only consider serving as OHPBA President after his term on the HPBA board. Frankel said we will put Fred Kirkpatrick on the ballot as a candidate to be Vice President. Gail said the ballot will need to be prepared by the first week of April and sent out by the third week in April.

Sanders said we might talk to Chad Clark about serving as Manufacturer's Rep Director and if he chooses to step down (he has been busy and unable to attend recent meetings), we could ask others to consider it. Clay Dennis with Zephyr Stoves and Chris Sharron of West Oregon Wood Products were suggested. Ommen pointed out that our bylaws require board members to be members of HPBA. A member of Pellet Fuels Institute would not meet those criteria unless we changed our bylaws. It was suggested we ask HPBA about the issue.

C. Region 9 Spring Conference

Gail described the basic agenda and schedule for the Region 9 Spring Conference on May 23-25. Gail showed to designs for logos. The group felt we should add an image of a fireplace perhaps with a fireplace and a garland over the top. Gail said the sponsor prospectus is being drafted and we will have that available at EXPO. [The Board took a recess at this point of the meeting to review the meeting rooms.]

D. NSPS Fundraising Effort

Kirkpatrick described the NSPS fundraising effort being done by other affiliates. The group discussed if we should use some of our funds as a contribution. Gail suggested we use the Spring Conference as an

opportunity to make pitch for fundraising for the NSPS effort following the seminar on the issue. It was also suggested we use the split the pot raffle to raise funds.

E. HVAC trade association Membership

Frankel said we continue to receive their newsletter even though we have not paid dues yet for 2010. He said their trade association executive director is in Vancouver, WA. He said the Washington association was involved in the effort for HVAC licensing legislation. He said they have not been able to rally support in Oregon as of yet. Frankel said we could chose not to join this year and probably not suffer from that in the short term, but we should join next year. Frankel said there is an opportunity for him to be on their board.

5. Committee Reports

A. HPBA Report

Fred distributed a report. He said most of this was on the teleconference in November since HPBA has not had any meetings since his last report. The only change is EXPO booth sales are down 15% as of now, and attendees are down about 24% as of now. He thought booth sales would be about 10-12% by the time we get to the show. Attendance is hard to say at this point.

Show dates that are locked in are Salt Lake City next year and Atlanta. Fred said it might be difficult to get the show to the financial results that we have had over the last few years. He said the new rotation is east - central - west. But "central" is considered to be Nashville which is essentially an east coast location. Kirkpatrick said HPBA contracted a calling service to contact the members to try to improve EXPO attendance.

Frankel added some information from a conference call he is on with other affiliate leaders. He said HPBA underwent a voluntarily audit. The auditor challenged a non standard accounting procedure for allocating expenses for EXPO which resulted in under reporting of EXPO profits that would be due to the affiliates of about \$7,800 per year. Frankel asked whether HPBA is obligated to go back and reallocate the funds and he though one option would be to have their accounting firm look at it and render a decision. Kirkpatrick offered to bring the issue up at the HPBA Executive Committee. Kirkpatrick said HPBA board voted a couple years ago that the 2011 budget be balanced which will be challenging thing to do next year.

B. Breakfast Meetings, Marketing Committee

Sue Chulos said the breakfast meetings have gone fairly well this year. The last one was not as well attended as usual. She said in April we will have a slide show of EXPO. Harvey Gail will assemble a presentation slide show for the breakfast meeting. Ommen felt the Salem meeting was a good location because it is more central. Breakfast meetings will start back up in September.

C. Marketing Committee

Gail said the principle activity of the marketing committee right now is to call passed due members and ask them some questions.

D. Government Affairs

Gail said rulemaking will begin on the heat Smart bill. Kirkpatrick suggested we draft a white paper on the issue and send it to the Environmental Quality Commission. This kind of background information would be an important part of that process to ensure EQC understands the issue.

Frankel said ODEQ might be getting a sizable amount of money for stove change outs from federal stimulus funds. ODEQ had asked about ball park numbers for stove changeout incentives. Frankel said the intention is that low income households in non attainment areas would be fully paid. ODEQ asked what the level should be for other areas, and the group felt a minimum of so \$1,000 in incentives would be necessary. It applies to Wood Pellet and High efficiency gas. We could make an announcement at our Spring Conference.

6. Director Reports

A. Southern Oregon

Mike Kohn said January and February has been very slow, and the weather has not helped much. However, he has seen a pickup in high end builders and remodeling is up in the Ashland area.

B. Metro

Chulos said it's the same in Portland. As soon as the first of the year hit the sales just dropped off.

C. Central

Sanders said mid to high end new construction is significantly up over the last time period. Sales aren't happening yet but there are a lot of calls, inquiries and new plans - but only high end construction.

D. Western Oregon

Warren Hench said Eugene is up a little in the high and middle end but gas service and maintenance is slow.

E. Utility

Frankel said natural gas commodity prices have notched up a little, but the supplies are good. Weather on the east coast has not impacted the price yet because there is so much in the ground in storage. He said shale gas reserves have increased in the U.S. and that recovery has become more economically feasible. The recession has also reduced demand. The prospect is natural gas commodity prices will remain pretty affordable in the near future.

Frankel said he received information from a presentation by economist John Mitchell. He said the recession officially ended last fall (in November or so). He said the economic numbers show a steep decline and a long, slow tail out. We have hit bottom, but employment lags and jobs won't be added for a full year. Mitchell said the housing inventory is getting better in the mid price range. Short sales and foreclosures have leveled off the inventory. Mitchell says we should look to see new construction picking up but not until 2011 and there will be an impact when the Obama stimulus money runs out.

7. Staff Report

Gail said in the last couple months he has been working on membership renewal and the spring conference. He has also picked up a lot of work on the rulemaking for Heat Smart. He said we budgeted

\$2,000 for lobbying in 2010, but almost all of that will be for monitoring the rulemaking process. Gail said we have an opportunity to work on a Business Energy Tax Credit for owners of rental homes. He said the idea is very simple one to sell and would make a big difference. The problem is, renters just aren't going to make that kind of investment and rental property owners need a pretty good incentive to make that kind of investment in their rental property. Gail said BETC was on the table in the special session, but they are cutting costs (not adding programs) and legislators are only really looking at lowering incentives for wind projects.

8. Next Meeting

The next board meeting is May 23 at the McMenamins Edgefield.

9. Adjournment

With no further business a motion was made to adjourn at 4:20 pm.

PASSED.

Motion to adjourn. MM F. Kirkpatrick; MS R. Sanders. Motion carried.

Minutes taken by Harvey Gail, OHPBA Executive Director.