

OHPBA Board Meeting Minutes

December 5, 2008

Holiday Inn Portland South, Wilsonville, Ore.

Board Members (attending*)

- *John Frankel, President
- *Linda Ommen, 1st Vice President
- Ray Horowitz, 2nd Vice President
- Bruce Richmond, Treasurer
- *Fred Kirkpatrick, HPBA Region 9 Rep.
- *Roger Sanders, Central Oregon Area Director
- *Warren Hench, Western Oregon Area Director
- *Chad Clark, Manuf. Rep. Director
- *Daniel Bonham, Eastern Oregon Area Director
- Mike Kohn, Southern Oregon Area Director
- *Susan Nellor, Metro Area Director (arrived late)

Staff:

Harvey Gail, Executive Director.

Guests (OHPBA marketing committee):

Sue Chulos, Andee Mowrey, Toni DiDomenico

1. Call to Order

John Frankel, President brought the meeting to order at 10:10 am. Harvey Gail noted a quorum was present.

2. Minutes of the Last Board Meeting

The minutes for the August board meeting were presented for review. Frankel asked for comments or questions about the previous minutes. He said he talked to Susan Nellor, who is currently working outside of the hearth industry. OHPBA's bylaws say that a board member who is not employed in the industry must vacate their position until such time that they re enter the industry.

PASSED

Motion to vacate the Metro Director position held by Susan Nellor due to her non direct involvement in the industry. MM Linda Ommen; MS R. Sanders. Motion Carried.

It was noted that we would welcome her back on the board in the event she rejoins the industry.

PASSED

***Motion to accept the minutes of the August 15, 2008 board meeting. MM Fred K.; MS Roger Sanders.
Motion carried.***

3. Old Business

A. HPBA Board Representative, Board Member Terms

Roger Sanders reviewed the issue related to the directors and officers. He said the HPBA affiliation agreement has no mention of how the affiliates should regard the position of the Region 9 Director. Issues relate to how they are selected, whether they serve on the local affiliate board, and the definition of their duties as they relate to affiliate boards. He said there have not been any real conflicts in our region, other than most recently NWHPBA did not want to reimburse Fred Kirkpatrick for the full amount of travel to HPBA meetings that he attended.

Sanders said a related issue is the “alternate” HBA board rep. It was noted that a representative of the NWHPBA board member was selected as the “alternate” HPBA Region 9 Director, but we were not informed of this. As an alternate, they can attend the HPBA board meetings but not be a voting member. Frankel said he talked to the NWPBA president about this and he agreed we should have a meeting, made of representatives from each board to discuss the reimbursement policy and other matters.

Frankel said there is agreement with NWHPBA that the method that the NWHPBA selected the alternate, non-voting board member was not as transparent as it should have been. Several years ago the concept of having an alternate Regional Director was a good idea in concept because the alternate could be “in training” and representing the other affiliate in the region, to be the next Regional Director.

Frankel said we will need to create one document that describes the roles of all board positions, including the Region 9 Board Rep. He said the teleconference call with NWHPBA will be in January. Kirkpatrick suggested we should have two members from Oregon, two from NWHPBA and the Region Rep. which could include the executive directors.

ACTION ITEM

John Frankel will arrange a date for the teleconference with NWHPBA, Harvey Gail will send the conference call information to the group.

The other issue is to lengthen the term of the president to two years, and remove the second vice President. After the meeting with NWHPBA we will create a document to be reviewed at the next board meeting. Then the new board descriptions will be sent to the members for a vote.

B. D&O Coverage

Harvey Gail said Bruce Richmond was going check into it. Gail said HPBA does have some coverage for affiliate boards, but the issue was the levels and types of coverage.

C. Drive for 25

Gail said the program rolled with a national call day on September 9. Gail said members of the marketing committee, Andee Mowrey, Tony DiDomenico, and Gail English made calls to about 20 prospective members each and that now

they should be following up with their initial calls. He said we have until March to recruit the new members. He said the goal is 13 or 14 new members.

Frankel suggested the better time for a national membership campaign would be in June around the time of our annual meeting. September was a little late since the selling season had already started.

D. Energy Trust of Oregon (ETO) Rebate

Frankel said ETO wants OHPBA to provide sales data related to gas products. The issue is ETO wants to move people to higher level efficiencies, but they need data to support a marketing strategy that will motivate them to do that.

Frankel said ETO wants Oregon data. Sanders suggested the HPBA handle the collection. Frankel admitted it would be a difficult challenge.

E. ORACCA

Frankel said we don't have a board seat on ORACCA and that originally that had been considered, but they have not been able to make that official. He noted their executive director is also the director of the Washington association.

4. Financial Report

A. Year to Date Report

Gail reviewed three reports:

- Balance Sheet as of December 4, 2008
- Budget to actual as of December 31, 2008
- Profit and Loss, previous year comparison as of December 4, 2008

As of December 4, 2008 the account balances are as follows:

Wells Fargo Checking:	\$26,143.53
Wells Fargo CD (reserve funds):	<u>\$16,775.73</u>
Total	\$42,919.26

Gail reviewed the reports and took questions from the group. He said we do have a positive net income for the year, but some of that is due to receiving \$3,200 of HPBA special funds for lobbying that is a payment for next year. Gail said he can move that to a prepaid income liability account. Sanders asked about the funds received from NWHHPBA for the spring conference for 2007 and 2008.

PASSED

Motion to accept the report with request that the reports reflect the amount and timing of the receipt of funds for the 2007 spring conference*. MM Roger S.; MS Fred K. Motion Carried.

**The profit and loss report (dated December 4, 2008) showed year to date comparison with 2007 for the same date (December 4, 2007) but it did not reflect the receipt of \$2,582.92 for the Spring Conference from NWHHPBA because the income from the 2007 Spring Conference were not received until December 31, 2007.*

B. Location for the Spring Conference

The group discussed several ideas for the location for the spring conference. Gail said last year the event was at Great Wolf Lodge, and the year before it was in Seaside. New ideas that were presented were Spirit Mountain Casino, Eagle Crest and Seaside Convention Center again (since it was very affordable and well attended). Gail suggested we get in touch with NWHPBA right away concerning the conference primarily because the options for locations will become harder to find the longer we wait.

C. Budget for 2009

Gail passed out the draft budget for 2009. He said the budget was emailed to Frankel, Richmond and Kirkpatrick. Sanders asked that separate line item for the Renewable Heating Symposium. Gail reviewed the budget noting the those items that need board attention. Kirkpatrick said the smaller sized booths are down about 20%. Need to revise HPBA funds to reflect \$65 is retained by the affiliate for brand new members.

PASSED

Motion to accept the 2009 proposed budget MM Fred K.; MS Chad G. Motion Carried.

5. New Business

A. Government Affairs Academy

Frankel said the Government Affairs Academy is asking for \$1500 for each participant. Kirkpatrick said it was important we send someone. He said it was helpful to have regions of Oregon represented because they teach you how to work with local air regulators. Mike Kohn could be a candidate. Frankel said the next one will be April 25 -29 in Washington DC. The \$1500 will include air and hotel. They will also make arrangements to meet with the affiliate's state congressional delegation. We will start with asking Mike Kohn. Fred K. will contact him. If he can't do it, then we will "move north".

Frankel described some of the activities at the training session.

B. Energy Trust Home Energy Makeover Contest

Frankel described the contest being done in four parts of the state. They will draw in vendors dealing with efficiency, looking for vendor support and sponsorship. Consumers submit their home and then they make over one home in each of four parts of the state. They had a preview meeting at ETO. They hired a consultant to come in and advise them. He said they will contact the vendors later. The prize is the makeover itself. He said a PR firm has been hired to promote the application process. People will go on line to submit themselves to be a candidate.

C. Lars Larson Radio Show

Frankel said he had a discussion about fireplaces on November 19. Frankel got a call from John Crouch. Originally the call went to Scott Ongley at Lisac's. He said he and Ongley were able to clarify the issue. He mentioned Libby Montana, the Heat Smart Bill, other national changeout campaigns led by HPBA. Frankel said he felt he and Ongley

did a good job of representing the industry. Gail will make CD and send it to some of the board members. Another issue was people who use wood as a sole source of heat. Gail will send the audio files of the show to HPBA since it could be a nice example to be used for the Government Affairs Academy.

D. New NWHPBA Executive Director

Frankel said he will be contacting Leah Hauer, the newly selected NWHPBA Executive Director. The group distributed a congratulations card. Gail said his firm (VanNatta Public Relations) had an opportunity to offer a proposal to NWHPBA and he did submit a proposal in October.

ACTION ITEM

Harvey Gail will send the card welcoming her to the position along with a gift.

6. Committee Reports

A. HPBA Report

Fred Kirkpatrick passed out a report. He said at the last meeting the HBA budget predicts an \$812,000 loss for 2009 due to low expected exhibitor registration at EXPO in Reno. He said budget cuts include some wage freezes. The travel budget has also been cut. Kirkpatrick said Jack Goldman informed the HPBA board that he will forgo a bonus that was due to him unless the staff received theirs. They will pull 6% of the reserve fund.

The Executive committee proposed a restructuring of the manufacturer dues formula which shifts the cost of EXPO exhibitor registration to dues. Since 80% of the revenue comes from EXPO, the board felt income should be redistributed so less of the budget is dependent on EXPO. Kirkpatrick said the feeling seems to be that most manufacturers feel the dues increase is acceptable given the trade off with EXPO. However, the change means there will be an effect on the affiliate dues revenue formula. He said there will most likely be an adjustment to the affiliate agreement to reflect the change to the formula.

Kirkpatrick said the question came up at the HPBA board meeting as to “why the affiliates need any money at all.” Some board members wondered why HPBA even has affiliates. That resulted in several coming to the defense of the affiliate structure and an explanation as to the purpose of affiliates.

Kirkpatrick said EXPO exhibit sales are down about 20% from the same time last year, but preregistration is slightly up from last year. Also, the board elected to go back to Atlanta in 2012 due to a cancellation in Orlando.

HPBA has commissioned for a study to determine the “greenness” of wood and pellet stoves. The study will be done in two phases. If the first phase is positive, the second phase will get launched.

Kirkpatrick covered the new federal tax credit for 75 percent energy efficient stoves. He said as it is now, consumers must provide a “Manufacturer Certification Statement” that verifies the unit is 75% efficient. He said manufacturers use a variety of ways to mark efficiency, so The Department of Energy will need to create a definition of “energy efficiency.” He said HPBA staff members are working on it.

Kirkpatrick described the debate about vent free appliances. It was decided HPBA would maintain a neutral position on the appliances.

B. Renewable Heating Symposium

Gail presented the schedule to the group to review. He said as of now, the registration fees are:

- Members \$50
- Non members \$75.
- Government, others \$50.

A rate for “at the door” registration will be set at a higher number.

Gail said the marketing phase of the project needs to get going. He said activities include sending press releases. He said a calendar notice was sent to *Alternative Energy Retailer*, *Hearth and Home*, and *Sweeps News*. Sanders pointed out that we could do an article to *Hearth and Home* we need to get it in the magazine we need to get it out three months in advance. Send the invite to Bill Sendelback. There could be two articles about what it’s about. Small article at what’s going to be happening. Gail said we will do a round of press releases and a mailing campaign to the NWHBA, Pacific, OHPBA. Gail said a lot of the marketing for the event can be done at EXPO. It was suggested we get some buttons and we could wear on the floor and he will create a brochure and have it available at the HPBA membership booth and for people to pass out. Gail said he will create a “to do list” that will include activities for committee members.

Sanders asked the board members what we are trying to accomplish with the event. Gail said in his opinion the event is an opportunity to increase our stature as an affiliate. Sanders said this could be an annual conference that could be expanded in the future.

C. Marketing Membership Committee

Tony DiDomenico described the activities of the committee with regard for the Drive for 25 Campaign. He said we have gotten a few new members. The breakfast meetings have been going on. It was well attended in Eugene. In December 17 we have a sales training seminar at Lucky Distributing. Gail said we have about 15 people signed up so far. The January breakfast will be January 14th at Cadillac Café featuring John Voorhees from OMNI.

D. Heat Smart Bill

Kirkpatrick proposed that without a funding mechanism the bill is in effective. If we are going to support it, we need to have some way to fund the removal. We could suggest a funding formula based on household income. Gail suggested we have Tim Seaton from the Masonry Heater Association provide a formal definition for masonry heaters. The group discussed our negotiating points and concessions. Issues include the Washington State and the level of authority granted to the Environmental Quality Commission. Kirkpatrick said there is nothing in the bill about enforcement or consumer education. Frankel said EPA officials that he spoke to this summer suggested bond sales as a means to fund stove change programs. Bonds would be sold and paid back by tax payer dollars. Frankel said they are using the bond sale fundraising concept in California.

7. Director Reports

A. Area Directors

Mike Kohn was not able to attend the meeting Gail, but he provided a report. Kohn said he was doing well - even very well - until late September's economic news and then the situation changed. He said October was down 40% from 2007's and November is down 37%. Kohn also said the County Building Departments are cutting jobs. They are at less than one half the staff they had one year ago. He said consumers are in a "wait and see" mode and they are getting estimates from several stores more often than they used to.

B. Manufacturers

Chad Clark said it continues to be a challenge, particularly in forecasting the demand. It is inconsistent from one dealer to the next in terms of how well they are doing.

C. Utilities

Frankel said Commodity price for natural gas is dropping, but the weighted average cost of gas lags a bit. US gas production is higher than consumption. Also imports of LNG are down. Industrial uses are down. Supplies are up. They found a big field in British Columbia in an oil shale field. More natural gas electric facilities are coming on line. Domestic production exceeds consumption.

8. Executive Director Report

Gail said recent month activity was centered on membership renewal. The project requires setting up a merge print document with specific dues rates for each member, plus the data we have on file. With the invoice members have an opportunity to correct their contact information. The mailing was sent with a flyer on EXPO and a registration form for our upcoming sales training seminar on December 17. Gail said OHPBA staff have done a variety of other projects over the past couple of months, including:

- Renewable Heating Symposium planning: marketing, speaker coordination, sponsor recruitment
- Dept. of Energy List of qualifying stoves
- Financial: 2009 OHPBA budget, bookkeeping
- Drive for 25 membership campaign: National call day, prospect ailing, follow up
- Dept. of Environmental Quality - Heat Smart Bill 2009 session

9. Next Board Meeting

The next board meeting will be held Friday, February 27, 2009.

10. Adjournment

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

PASSED

Motion to adjourn the meeting. MM R. Sanders; MS L. Ommen. Motion carried.

Minutes taken by Harvey Gail, Executive Director