

Board of Directors Meeting  
April 30, 2005  
Redding, California

**Attendees:**

Doug Houston, President  
Chuck Sheley, 1<sup>st</sup> Vice President  
John Twiss, 2<sup>nd</sup> Vice President  
John Helmer, Director  
Fred Rohrbach, Director  
Murry Taylor, Director  
Carl Maezerluft, Director  
Joe Stutler, Director  
Dave Bennett, Secretary  
Larry Lufkin, Director  
Charlie Brown, Treasurer

Opening Remarks-Doug Houston

Thanks to financial group for work they have done since the last meeting.

Plans for the Social-Chuck Sheley

Social will be here at the casino tonight at 6:00. William Green (MSO 1945) will be in attendance.

Minutes of Last Meeting-Dave Bennett

Comments on the meeting minutes: March 5 was the date not March 4. Leo Cromwell twice, Larry Lufkin missing in attendance list.

Treasurer's Report-Charlie Brown

Charlie handed out the current financials including a cash flow statement. The NSA is doing better financially than last year. Following are major points describing our financial status.

- A major differentiator is the 2004 reunion income of \$9700. As a result, we are ahead of budget.
- The balance is down about \$6000 from budget on merchandise income.
- Merchandise expense is down because total sales are down.
- Donations to Evergreen are budgeted at \$2500,\; actuals are \$10,000.
- \$6000 is budgeted for Chuck Sheley's extraordinary support to the association, but he says he doesn't want it. The plan is to pay him anyway. He can donate it to whoever he wants.
- Following through with paying Chuck the \$6000 will reduce the budget surplus to \$3700.

Charlie said it's very important that we have the money to fulfill our obligations on the long term. How we recognize multi-year memberships is key to this analysis. Charlie is working on this analysis and will report progress. John Helmer agreed that Charlie's approach is sound.

Charlie's concept for organizing the NSA finances is that the NSA would be the holding company, and each activity would be a cost or income center. Magazine, Merchandising. The cost center concept would standardize and improve accountability for each activity. Each cost center would have a separate checking account.

John Twiss commented on the need to deal with NSA capital assets and they should be addressed in the balance sheet.

Charlie reported that NSA assets are increasing each year. Gross assets are on the order of \$250k.

Art Jukkala fund balance is \$3,994, and is being held for "something lasting and significant".

John Twiss moved that the NSA have a general memorial fund that has been moved into the general operating fund. This motion documents the previous action. Doug Houston seconded, and the motion carried. This money is available to spend as the BOD sees fit.

Fred Rohrbach suggested that since Dean Longanecker is no longer Treasurer, we move the Mid State Bank checking account. Charlie stated that we have a CD at Mid State that is mature in September. We may move the Mid State checking account after September. Fred R suggested that CDs should be set up on short term durations since interest rates are going up in June and beyond.

John Helmer and Larry Lufkin have prepared an analysis that accounts for the liabilities that we have to our members for services. It showed that we have a \$59,000 liability over ten years considering all types of memberships; single year, two year, five year, and ten year.

Discussion: we have Life Members passing away; should the Life Member funds for deceased life members be put to general use or should they be retained in the life members fund and invested only?

Murry Taylor asked if NSA pays money to deceased members or maintains a separate memorial fund. The answer is no. Donations in memory of individuals go to the general fund. This has been dealt with previously and is old ground.

The group extended an "Excellent job accolade" to Charlie on the financial reporting.

Doug Houston said that this is our annual meeting to develop a budget. The budget will be finalized by email before the end of July.

Chuck Sheley said that Merchandising will be less lucrative for a year or so until the new business gets underway. Therefore we should be conservative in our budgeting in that regard.

Charlie Brown mentioned that we had previously committed to an audit. Charlie has discussed this with a CPA who suggested that we might not need a professional audit, but an overview of our books and accounting approach might be useful. This could be done by a CPA or someone qualified that might perform this work as a donation.

John Helmer said that his intention when he suggested the audit he didn't plan on a formal audit, just verification. Larry Lufkin could perform this function. Charlie has essentially done an audit in transitioning the books from Dean Longanecker. Tim Milligan, an ex-jumper/NSA member is a CPA in Bozeman that might be available. The audit will be performed next year.

Charlie provided a backup CD of the books to the Secretary for archiving.

#### Investment Committee Recommendations-John Helmer

The investment committee has redone the investment strategy document and John asked that the revised strategy be approved by the BOD. Investment committee is Doug Houston, Charlie Brown, and John Helmer. The three man investment committee will make recommendations for investments.

NSA's investment objective is Capital Preservation, seconded by Income.

Multi-year membership reserves offer short-term investment opportunities because of need to use this money for operations.

Life Membership Contributions should be focused on investments to retain purchasing power. Fred Rohrbach suggested that real estate may be risky.

We have some investments in Mass Mutual, which doesn't qualify for tax exemptions on dividends. Since NSA is tax exempt, this doesn't matter to us. However, this tends to make Mass Mutual more of a bargain for the NSA.

The investment committee's recommendation may realize as much as 10% per year.

Administration of the Investments is recommended to be: the BOD would authorize an investment amount annually. The investment committee would make investments to this level.

Larry moved that we accept the policy as written. Karl seconded. Motion carried.

John provided an accounting of financial results so far. We have enjoyed a 20.53% rate of return to date with less than one year participation.

John introduced the BOD to Capital Southwest. This fund historically has a double digit rate of return. This stock is subject to capital gains tax, therefore is undervalued. However, the NSA is tax exempt, which makes this stock a bargain.

Larry Lufkin moved to authorize the Investment Committee to invest an additional \$25,000. The motion was seconded, and the motion carried.

Merchandising Committee-Chuck Sheley and John Twiss

John and Chuck provided an update on the continuing effort to identify a long-term Merchandising program path forward. Western Heritage (WH) was contacted regarding administering the NSA Merchandise program. WH works with several land management agencies. John is familiar with them.

The model would be the NSA would identify what we want to sell then WH would acquire the merchandise, market it via their website, and ship to buyers. WH would give NSA a split of the profits. WH does some manufacturing internally.

The time frame is to convert in the June of 2005 to match Chuck Sheley's schedule for termination of the existing merchandise program.

The NSA would sell proprietary merchandise (such as the Smokejumper video) to WH who would in turn retail this items. The agreement would include retailing at the jumper bases as well as the Evergreen Museum. These organizations will work directly with WH for inventory supply.

Charlie asked what budgetary profit number we should plan on for the coming year. We will use \$5000, which will be conservative. A point of contact will be identified, tentatively the Treasurer, to work with WH. Chuck will consult on viable merchandise to be sold.

The Executive Committee meeting in October of 2005 will include an agenda item for naming a marketing contact with WH.

Murry Taylor suggested that we involve the jumper bases' welfare funds in merchandise definition thereby gaining contact with the bases. A partnership with the jumper bases would be a good thing. The welfare funds would sell NSA merchandise and receive 1% for the welfare fund. This idea is to be further discussed in October.

Future Funding Proposals-John Twiss

No new items to report.

Membership Update-Fred Cooper not present.

Trails Program Update-Doug Houston

Twelve projects are planned for the summer of 2005, the first to begin July 16. A wide variety of projects in various locations, including part of Iditarod in Alaska, several in Colorado, the rest in Montana and Idaho. There are a record number of volunteers. Murry has been trying to get National Public Radio to do a program on the NSA Trails Program.

#### Boise 2007 National Reunion-Doug Houston

The reunion committee is making good progress. Nemore and Cromwell are engaged in leadership positions with very positive results. June 3, 4, and 5 of 2007 are the reunion dates. The reunion will largely be on the Boise State campus. The Boise reunion committee asked us that the BOD consider ideas for themes for the reunion. The BOD should send Nemore or Cromwell an email with our ideas. Fred Rohrbach mentioned that we have opportunity to make more money on merchandise. We must include this consideration in the merchandising arrangement with WH.

#### Corporate Funding-Joe Stutler

Joe said there is a lot of advertising opportunity associated with the corporate funding program. Chuck and Joe looked at cost of adding inserts to the magazine and other magazines such as Wild Land Fires. Doing advertisements for major corporations in our magazine could be lucrative. For example, an eight-page full color insert could result in a profit of \$24,000 per year.

Joe's plan is to offer advertising opportunities to select companies. Aviation companies, fire retardant providers, expeditors, fire training companies, fire shelters, work boots, GIS technologies providers. The goal is to get started in the July 2005 issue of the magazine. John Twiss asked about integrity of the unbiased position that we currently enjoy. With advertisements, we may be somewhat pressured or biased or viewed to be such. This money will enable us to improve services to our members. We need an advertising policy that will guide us in future decision making. Dave Bennett mentioned that this same list of suppliers should be approached for sponsorships for Boise 2007 reunion events.

John Helmer moved that we authorize Joe and Chuck to proceed with soliciting advertisements from the list Joe provided. At the same time, they should draft a policy guide for advertising. Charlie seconded and the motion carried.

#### Fire Museums-Joe Stutler

The California museum artifacts have been moved to Missoula for storage. The museum rumored to be in Albuquerque apparently does not exist. Apparently these materials will be used for the FS Museum whenever that gains momentum.

#### Forest Service National Centennial Reunion Portland, Oregon-Joe Stutler

Joe has researched this possibility and resources aren't readily available from the jump bases to staff a booth. John Twiss said that its a great opportunity to showcase the NSA to FS upper management. Murry said that Mike Fitzpatrick might be a good spokesman. John will explore further possibilities with FS management.

### Draft 2005-2006 Budget

An initial budget was presented based on our financial capabilities and the previous year's expenditure history, plus our program plans for the coming year.

MMF provided a proposal for \$1200 this year to help with expenses for museum operations. John Helmer moved to give the check to MMF, seconded, motion not carried by hand vote. John also moved to authorize \$600 only, to be utilized for upgrade of SJ display. Motion not passed by hand vote.

The MMF has some unique photos on display that should be preserved. Doug will speak with Stan Cohen about preservation steps. Perhaps an NSA donation to the museum might be a factor in this plan.

Tom Uphill has submitted a proposal for a scholarship fund for smokejumper family members. More analysis will be required before this proposal can be acted on.

The budget was finalized at \$35,500 total revenue, and total expenses at \$33,100. John moved to adopt the budget. The motion was seconded and passed.

### Development of Strategic Plans and Goals-John Twiss

The group was referred to the current by-laws drafted and approved in 2000. John lead the group in a discussion of the by laws appropriateness. Changes were discussed in article 1: Purposes. Deleted reference to wilderness and park lands and inserted "preserve and promote the history of smokejumping and associated activities...".

John Helmer mentioned that we should be cautious in modification of our bylaws because they may be written to support our tax exempt status. We should have a non-profit specialist legal advisor review our proposed changes. Dave Atkins, a member will be asked to perform this review.

Smokejumper pilots were included as full members based on results of an Executive Committee meeting in 2000. This change was announced during the 2000 reunion in Redding, however, the change was never made to the bylaws. This change was also drafted in the bylaws during the meeting as part of the general bylaws review.

Having redrafted the bylaws, John pursued a discussion of the path forward for the organization over the next five years. Tom Uphill's draft strategic plan is a good starting point for this discussion.

John described the vision of an NSA that in five years could have a paid executive manager and that could help members in need, provide scholarships and other noble causes such as supporting injured jumpers.

Fred Rohrbach said that we must find a way to connect with the present day jumpers. We will be losing our older members over the years and they must be replaced with younger members.

(Since the program began, there have been 5000 smokejumpers in the US, 3300 are still alive. There are 450 active smokejumpers).

A tentative listing of NSA strategic goals for 2010 follows.

- \$1,000,000 net worth NSA
- Offer scholarships
- Life members 25%
- Paid executive director
- Be international
- Four color magazine
- NSA in wills of members
- Assistance to families/injured jumpers

Next Meeting-Doug Houston

The next meeting October 1, 2005 in Bend, Oregon and this will be a full board meeting.

Meeting adjourned at 4:10 pm.