



Final Notes

NAFSR Board of Directors Zoom Meeting

November 9, 2023

Attendees

Board Members - Steve Ellis (Chair), Johnny Hodges (Secretary), Rich Stem (R-1), Sharon Friedman (R-2), Lynn Sprague (R-4), Don Howlett (R-9), Sandra Holsten (R-10), Doug Crandall (Congressional Liaison), Rich Guldin (Research), Gene Blakenbaker (National), Nora Rasure (National), Bill Timko (National), Jack Troyer (National), Jeanne Wade Evans (National), Susan Skalski (National)

Committee Chairs – Rich Guldin (Climate), Nora Rasure (Recreation)

Staff – Bill Disbrow, Webmaster

Unable to Attend - Jamie Connell (Vice Chair), Greg Griffith (R-3), Mike Rogers (R-5 south), Steve Eubanks (R-5 North), Becki Heath (R-6), Marisue Hilliard (R-8), Ranotta McNair (National), Kevin Martin (AWCP Liaison), Ed Shepard (PLF Liaison), Mike Dudley (Fire Committee)

Welcome – Steve Ellis

- Jamie Connell is unable to join the meeting due to a flight delay.
- A “shout out” to veterans ahead of upcoming Veterans Day.
- “Thank you” to everyone that donated to NAFSR over the past year.
- We have two new committee chairs. Tim de Coster is the new Awards Chair (vice Phil Aune) and Bill Avey is the new Restoration Chair (vice Jose Linares).
- Jack Troyer is stepping down after 10 years as a Board member.

Administrative Report – Johnny Hodges

- Membership
 - We currently have 687 members.
 - We gained 9 Lifetime members in the last year.

- We have gained 27 new members in the last year.
- We have a total of 193 Lifetime members, which is 28% of our total membership.
- We have 209 Golden members (ages 80+) which is 30% of our total membership.

- Financial Review/Audit

As far as we can tell, there has never been a financial review of NAFSR by an outside reviewer in the history of the organization. Our Constitution and Bylaws call for an annual audited financial report by an independent party.

On September 21, 2023, we convened a group of five people to conduct audits on NAFSR, Rocky Mountaineers, and Colorado/Wyoming SAF in Golden, CO. All these individuals have conducted previous audits/financial reviews of non-profit organizations in the past. One person from the group was assigned to write a report on the findings for each organization. Jim Thinnies was assigned to NAFSR. This is a review of the calendar year 2022.

Below are recommendations from Jim's report, and Johnny's responses.

1. Develop, approve, and implement governance related to financial management.

Response – The NAFSR Constitution addresses this issue under –

IX. Financial Report and Audit

“The Secretary will prepare an annual financial report. The report will be audited by an independent party.”

It is also addressed in the NAFSR Bylaws under -

A. Duties of the Board of Directors, 4. Secretary

**“Manage the association's finances in accordance with Board guidance.
Prepare an annual audited financial report.”**

Ellen and I currently prepare Quarterly Financial Reports and an Annual Financial Report. These reports are sent to all Board members at the end of each quarter and at the completion of closing following the end of the calendar year.

2. Determine which Board members should have access to financial records.

Response – Copies of all financial records are stored in Dropbox. Currently, Board members are not automatically given access to Dropbox, but access will be given upon request.

3. Use approved annual budgets to set expectations. I understand this was started beginning 2023.

Response – This is correct. The Board did approve an annual budget starting in 2023. In the future, budgets will be approved during the November Board meeting each year.

4. Use formal approval process if expenditures are not included in the approved budget.

Response – There is currently no formal approval process. I would propose asking the Board for approval for any non-budgeted expenditures exceeding \$500. Any non-budgeted expenditures less than \$500 will be approved and documented by the Chair and Secretary.

5. Consider setting target allocations in investment accounts.

Response – The Board approved adding funds to an investment account at the May 3, 2018, Board meeting. There was no dollar amount assigned. It was left to my discretion on how much to invest. The Board recommended dollar cost averaging.

I invested a total of \$10,000 over a period from October 2018 to January 2020. I have not invested any additional funds during the last 3 years. Our current mix is 28% in our investment account and 72% in cash (including CDs).

Our current balances are \$11,300 in our investment account, \$14,600 in checking and money market accounts, and \$15,700 in CDs for a total of \$41,600.

I do not recommend a target allocation, but if the Board wants one, I suggest 40% investment and 60% cash.

6. Transfer PayPal balances to the credit union at the end of each financial quarter.

Response – This is how I currently operate.

7. Consider laddering short-term certificates of deposit to increase interest on cash holdings.

Response – I monitor CD interest rates and make decisions on CD lengths based on our available cash and expected expenditure. I generally do not exceed 12 months on any CD purchase. At our credit union, interest rates on CDs less than 6 months are usually not favorable.

After discussion by the Board on the audit, the decision was made to organize a task force to formalize some financial management guidelines. Members of the team will be Steve Ellis, Jamie Connell, Don Howlett, and Johnny Hodges. The team will present their recommendations to the Board at the February Board meeting.

- 2024 Budget
 - Johnny shared a Financial Summary spreadsheet for the years 2016 through the 3rd Quarter of 2023 showing details of annual revenues and expenses.
 - We experienced a gain in net assets in all years except 2018 and 2022.
 - 2023 is the first year we had an approved budget. We are currently projecting a deficit for this year, primarily because of increased travel expenses. NAFSR testified at two Congressional hearings this year. Our travel budget of \$2,000 was inadequate to fund two trips to D.C. plus other travel expenses. Several Board members emphasized that testifying before Congress is one of our highest priorities.

- Johnny presented a proposed budget for 2024 with projected revenue of \$14,600 and expenses of \$15,350 for a deficit of \$750. This does not include any gains or losses from our investment account.
- After considerable discussion by the Board, Jeanne Wade Evans moved to approve the budget. Her motion was seconded by Don Howlett. The motion was approved.
- The Board also approved the creation of another task force to focus on Membership and Revenue. Members of this group are Nora Rasure, Susan Skalski, Johnny Hodges, and Ralph Crawford.

New Board Member Nominees – Jeanne Wade Evans

- We currently have 3 vacancies on the Board vice Larry Payne, Jack Troyer, and Hank Kashdan. Jack and Hank were both National Board members and Larry represented State and Private Forestry. Sandra Holsten would also like to step down from the Board, but she will remain until we find a replacement for her.
- The search committee chaired by Jeanne has come up with 3 potential Board members –
 - Ralph Crawford vice Larry Payne
 - Bill Avey vice Jack Troyer
 - Tim DeCoster vice Hank Kashdan
- Jeanne presented a short biography for each of the nominees. The Board then discussed each of them.
- Susan Skalski moved to vote on all three nominees as a block. Don Howlett seconded. The motion carried and all three nominees were approved.

Congressional Update – Doug Crandall

- The Freedom Caucus is ok with the Speaker getting a clean CR (Continuing Resolution).
- A CR with across the board cuts won't pass the Senate.
- A different CR with different appropriations bills has no support in the Senate. No one knows how it would work.
- A government shutdown is likely unless the Speaker gets a pass from all Republicans.
- The Appropriation Bills passed won't get through the Senate.
- The Forest Service does ok under most scenarios.
- The Farm Bill did not get extended but is not affected until Dec. 31. They are looking for an extension into next year (included in the next CR). Nutrition is 80% of the Farm Bill and not supported by the Freedom Caucus.
- Firefighter Pay was extended in the last CR and probably the next CR.
- During Legislative Hearings the FS didn't support many of the fire bills because they were too restrictive and redundant.
- An Omnibus Bill is coming with lots of horse trading.
- The Chevron Doctrine (1984) which gives deference to Agencies on rule making is at the Supreme Court for a ruling.
- The election this week was favorable for the Democrats.
- If there is a government shutdown, back pay is guaranteed for all employees.

Carbon Position Paper and Science Document – Rich Guldin

- This is not a decision item for today. It will need a decision at our February meeting.
- Dave Cleaves is doing a great job in consolidating information.
- Comments from the Board at our August meeting are incorporated.
- I need any additional comments by the end of November.
- Sharon thought the science statement seems like giving reasons for more funding. Rich said there is a need to study uncertainty to help guide policy.
- The Position Paper is for Hill staffers. The science paper is for other member organizations with a higher tolerance for denser scientific study.

Student Congress Update – Ranotta McNair

Ranotta was unable to make the meeting but reported that Jim Caswell and Lynn Sprague have also been working on the Student Congress. She is scheduled for a call with Angela Coleman on December 4 to discuss funding and personnel support from the FS.

Steve reminded the Board that we currently do not have any funding in the 2024 NAFSR budget for the Student Congress.

Report on All Members Zoom Meeting – Nora Rasure

- We held a Zoom presentation for all NAFSR members on September 13.
- There were 5 presentations from Board members.
- We had about 45 members on the call including 10 Board members.
- Some reasons why members were interested – seeing friends, variety of presentations, topics were short, and a professional team. They enjoyed Zoom.
- Thanks to Johnny for organizing and recording the Zoom meeting. Thanks to Bill Disbrow for editing the video and posting it on our website.
- So far, the video has been viewed by 412 people.
- Steve said Nora did a great job as facilitator of the meeting.
- Do we want to do it again? Maybe two per year. Timing?
- Sharon said we need to decide on topics.
- Susan thought we should do more meetings. Topics would be driven by interest.
- Gene said the subject matter keeps members engaged and energized.
- The Chief will be at our February meeting. That conversation might be a possible topic for a Zoom meeting in March/April.

February Board Meeting Logistics and Agenda – Johnny Hodges

- Our next Board meeting will be in-person the week of February 5 in Denver.
- Monday, February 5 will be a travel day.
- We will meet all day on Tuesday.
- On Wednesday we will meet until about 3 or 4 p.m. Some people may be able to travel home later that day or evening.
- Thursday will be a travel day for everyone else.

- The meeting will be held at the DIA Embassy Suites. This is the same hotel we met at earlier this year. My meeting planner searched hotels in Denver and Phoenix, and this was by far the best choice. They are giving us rates even less than we paid in 2023.
- There is a free shuttle from the airport.
- Breakfast is included each day. NAFSR will cover the cost of lunch each day. A two-hour social is included each day.
- Johnny has sent the link for room reservations to the Board. You are encouraged to book your air and reserve your room as soon as possible. We need to ensure that we fill our room block or there are penalties involved.
- Jamie Connell, Susan Skalski and Sharon Friedman will develop the agenda.

Final Notes by Johnny Hodges

November 16, 2023