



BOARD MEETING
AREE
ATLANTIC CITY, NJ 12 P.M.-2 P.M.
DIAL IN # 866-886-5735, CODE 8816810

I. Introductions

The following persons were in attendance:

Nancy Allen (phone)	Bill Anderson
Sam Bell	Bob Boltz
Molly Brady (phone)	Walter Brickowski
Jim Buhrmaster	Dr. Thomas Butcher (phone)
Peter Carini	Sean Cota
Mike Cox (phone)	Tom Devine
Brad Fulton	David Glendon
Chris Keyser	Barry Knox
Brian Kottcamp	Will Lawes
Louise LeBlanc	Darren LeDoux
John Maniscalco	Roger Marran
Dave Martin	Bill McKibbin (phone)
Mike Neish	Ted Noonan
John Peters	Mark Petrunis
Michael Romita	Charles Stafford (phone)
Shane Sweet	Jim Townsend
Tom Tubman	Kim Ullman
Rob Van Varick	Jack Woodfin (phone)
Robert Woodruff Jr.	

Mr. Robert Boltz called the meeting to order at 12 p.m. eastern standard time and directed Mr. John Huber to call the roll. Mr. Huber called the roll and the above members of the Board were present. Mr. Huber indicated a quorum was met.

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II. Approval of Minutes

A motion to approve minutes from September 8, 2008 meeting that occurred in Boston was made by Shane Sweet and duly seconded and approved by voice.

III. Financial Review

Mr. Maniscalco discussed the year end financials for 2008 and how they matched up to budget and the 2008 Auditor's Report.

Several corrections were made to the inventory which required adjustments. Distributing the manual and having it as the accepted educational tool is important. To facilitate this, several hundred manuals have been distributed to trainers and at training sessions for trainers. To accommodate this, a \$12,000 inventory has been charged to the Education & Training budget. Secondly, the auditors recommended that we restate Inventory at the adjusted First-In, First-Out (FIFO) value. Lastly, a "write-down" to the Cost-of-Goods-Sold redirects the shipping and handling costs to the Fulfillment Center, and out of the Inventory value.

Mr. Sean Cota made a motion to approve the year end statement. It was seconded by Shane Sweet and duly accepted by voice.

In reference to the Independent Auditor's Report dated December 31, 2008's Program Services, which included Research and Development, Education and Training, Consumer Education Production and State Grants, NORA allocated a total of \$11,655,879. In 2007 NORA allocated \$13,426,902.

NORA's total administrative expenses for 2008 amounted to \$591,931 as compared to 2007's total administrative expenses of \$556,266. The change in unrestricted net assets has resulted in an increase in net assets of \$16,166 for 2008, reversing 2007's decrease in net assets of (\$159,997).

After factoring in the beginning of the year's total net assets of \$1,889,537, NORA ends calendar year 2008 with total net assets amounting to \$1,905,703, categorized as \$685,612 in unrestricted net assets and \$1,220,091 in Board designated net assets.

Mr. Maniscalco discussed the 2010 budget preparation. There were two budget scenarios which were discussed by the Budget subcommittee, one adopting a "non-renewal" budget, and the other on a "renewed" basis.

The "non-renewal" listed Net Collection Revenue of \$2,254,767; Grants & State Rebates of \$2,968,644; Project Accounts of \$370,000; Total Operating Expenses of \$622,200; Total Expenditures of \$3,950,844 and a Decrease in Net Assets of \$1,696,077.

The "renewed" listed Net Collection Revenue of \$11,982,996; Grants & State Rebates of \$9,520,796; Project Accounts of \$1,650,000; Total Operating Expenses of \$632,200, and Total Expenditures of \$11,982,996 resulting in a zero budget.

A discussion ensued regarding NORA retaining Merrill Lynch, Pierce, Fenner & Smith for investment purposes utilizing Merrill's Personal Advisor Program. The existing Merrill account needed to be updated for legal purposes, and this change will provide NORA an opportunity to invest funds directly, and not use established funds. However, limitations of investments by the statute are still in effect. Mr. Maniscalco requested a motion for the resolution prepared by Merrill Lynch, Mr. Peter Carini made such a motion, which was duly seconded approved by voice.

The Approval of State Allocations for 2009 for two states was discussed by Mr. Maniscalco. There was a general discussion regarding the State Allocations. The two resolutions involved a grant for South Carolina and for Pennsylvania and they were presented to the Board by the South Carolina Petroleum Marketers Association and the Pennsylvania Petroleum Marketers & Convenience Store Association.

Mr. Rob Van Varick made a motion to approve the South Carolina grant, Resolution A-2, which was seconded by Mr. Dave Martin and duly approved by voice.

Mr. Neish made a motion to accept the Pennsylvania grant, Resolution A-3, which was seconded by Mr. Tom Tubman and duly approved by voice.

Mr. Maniscalco discussed the ICPA and IPCA Fund Transfer. ICPA requested that they transfer unused funds in their research and development account to existing activities within consumer education. The Indiana Petroleum Marketers & Convenience Store Association requested that funds be transferred from the unused research and development and education and training account to existing grants currently functioning as consumer education.

Mr. Tom Devine made a motion to move the ICPA fund transfer, resolution A-4, the motion was seconded by Mr. Dave Martin and approved by voice.

Mr. Will Lawes made a motion to move the IPCA fund transfer, motion A-5; the motion was seconded by Mr. Shane Sweet and duly approved by voice.

Mr. Bob Boltz then brought forward the issue of how much should be allocated to research and development in the 2010 budget. He indicated that the Budget subcommittee had recommended \$1.1 million for research and development. He stated that during the year, it may be necessary to increase that to \$1.5 million. He requested a sense of the Board as to its reaction to such a change. The motion was made, and seconded, and approved by voice.

NORA has established a weather fund as a Board Designated Asset. This fund is designed to represent 10 percent of the revenue anticipated in the budget, and serves to cushion changes in the budget that might be necessary due to conservation or milder weather.

The Board Designated net asset is now charged with \$1,418,871. The budget prepared for 2009 has anticipated revenue of 12,104,036.

Mr. Chris Keyser made a motion for the weather fund to be synchronized with the expected 2009 revenue, and thus be reduced to \$1,210,404. The reduction will be transferred to unrestricted net assets. The motion was duly seconded and approved by voice.

IV. Education and Training

Mr. Hedden reported on the train the trainer program this year which was a partnership between NORA and NAOHSM. He stated that the training consisted of three seminars last summer and that a total of 65 trainers attended the different programs. Mr. Hedden reported that the main topic consisted of "How to Teach", taught by Harry Johnson from Penn State University.

Mr. Bob Hedden discussed the new NORA Energy Audits training program that is underway. He reported that the intensive training familiarizes participants with the process and protocols for performing of an energy audit in accordance with standards defined by the Building Performance Institute. Mr. Hedden reported that the course focuses on hands-on testing activities, and diagnostic investigative techniques used to identify retrofit opportunities for energy saving measures that include health and safety as well as comfort and durability.

Mr. Huber discussed the Cash Flow project being done in conjunction with RenRe Investment Managers Ltd. RenRe Investments proposes to develop a user-friendly cash flow modeling tool for universal use by the retail heating oil distribution industry. It is envisioned that the tool will be accessible by dealers online via the NORA website. The tool is intended to be a quick, baseline indicator of expected cash flow and working capital needs for dealers. Professional projected income statement, statement of cash flows and balance sheets will also be produced. Mr. Huber discussed the benefits to the industry and its consumers.

Mr. Don Farrell discussed the new NORA Silver Book DVD and the cost of the whole project is \$50,000 for distribution of the DVD's to the industry. Mr. Farrell explained that the auto-run DVD will contain each of the silver book chapters bundled with associated educational materials, i.e videos, a quiz, links to appropriate sites and perhaps a "Product Resource Center" containing product info germane to each chapter topic. Mr. Farrell discussed the marketing for the DVD's and the associated cost. There were examples shown and the discussion indicated support from the group.

V. Research and Development

Mr. Rich Sweetser reported in detail on Greenhouse Gas Emissions, stating that carbon equivalent contains carbon dioxide but it also contains the global warming potential in terms of carbon equivalent, or actually six other elements; however the only important two are methane, which is 23 times the equivalent of carbon dioxide, or molecule carbon dioxide and nitrous oxide which is 296 times carbon dioxide. Mr. Sweetser presented this paper to indicate the steps the industry may need to take to maintain its competitiveness.

Mr. Huber discussed the tax credits stating that the stimulus bill signed by President Obama in February was the inclusion of a tax credit for installation of energy efficient equipment in a home. Traditionally, this tax credit for oil equipment was small, \$150, and

limited to equipment with AFUE measured efficiencies over 95. Essentially, this eliminated nearly all of the equipment sold in the heating oil industry. The new credit is now up to \$1,500 and is good for boilers with efficiencies over 90 AFUE. The catch is that this credit is essentially for all efficiency improvements that are made to the home for the next two years, doors, windows, insulation and heating appliances. Mr. Huber then stated that there are only a few pieces of equipment that qualify. However, it is fortunate that NORA has developed this equipment, or there would be no equipment available.

VI. Consumer Education Report

Mr. Huber introduced Kelly Simmons, the creative director for NORA's radio ads. Mr. Huber stated that Ms. Simmons has been doing the creative work with the consumer education committee over the last 18 months to two years.

Ms. Kelly Simmons discussed the new radio and that now radio is about gender marketing. Ms. Simmons discussed gender marketing related to Oil heat and that it is a "gender bender" product meaning that the product is influenced by both men and women. Ms. Simmons discussed her thought process behind the new ads and noted that they were focused on educating women to attributes of Oilheat, because this is a segment that has not been reached, however, it is an important voice in what equipment or upgrades occur in a home. Additionally, women tend to respond more positively to green marketing, and thus the information on Bioheat is particularly important.

Ms. Simmons played the six radio commercials produced for this coming season and there was a general discussion regarding the radio ads. The general consensus of the group was positive.

VII. New Business

There was no new business to be discussed.

VIII. Old Business

There was no old business to be discussed.

IX. Adjournment

The meeting was adjourned by the chairman at 2:11 pm