

Minutes of the Board of Trustees of the National Association of Rocketry

February 23, 2018

The meeting was called to order before NARCON 2018, Friday, February 23, 2018 at the Hilton Houston NASA in Clear Lake, Texas at 8:01 AM. Trustees present: John Hochheimer, president; John Lyngdal, vice president; Mark Wise, secretary; Tom Ha, treasurer; Vince Huegele, Ed LaCroix, Carol Marple, Kevin Johnson, Randy Boadway. Members absent: None.

President John Hochheimer discussed his priorities for the meeting. He mentioned that he had rearranged the meeting schedule and topics to reduce the number of committee reports, allowing the Board to discuss other topics in more detail. He would like to continue keeping Board meetings to one day (rather than the traditional two days), in order to use members' time more effectively.

The meeting was called into executive session at 8:15. Topics of discussion were related to converting the NAR office manager position from a contract position to a NAR employee, access to launch sites, the bankruptcy of Estes' parent company, NAR insurance, Standards and Testing, a Code of Conduct for NAR Board members, the NAR website, and NARAM-60.

Executive session ended at 9:11 AM, and the regular meeting continued.

Treasurer's Report

Board members discussed the B division NARAM travel grant and R&D cash awards, and whether the awards accomplished their intended purpose of encouraging continuing NAR membership and increasing participation in B Division Research and Development.

Ed LaCroix moved to discontinue B division travel grants for NARAM, Vince Huegele seconded. Passed unanimously.

Pursuant to this discussion, Ed LaCroix, Mark Wise, Vince Huegele, and Carol Marple agreed to serve on an R&D subcommittee to study methods to encourage youth participation in R&D.

Kevin Johnson moved that NARAM R&D awards be funded from the general fund this year. Randy Boadway seconded. Passed unanimously.

Members discussed setting up accounts to make sure that "seed money" appropriated to sections for national events be spent on their intended purposes. Funds are transferred into dedicated accounts for the events, then zeroed out after completion of the event. Randy Boadway suggested \$2,000 seed money for NARAM, for example. Tom Ha said that sponsoring sections were supposed to submit budgets, but that the Board has been lax in enforcing that.

John Lyngdal moved to fund \$5000 to each national event account for event directors to draw against for pre-event expenses. Kevin Johnson seconded. Passed unanimously.

The Board elected to defer approval of the budget to the end of the meeting, so that the Historian's report and budget request could be incorporated into the budget discussion.

The Treasurer's Financial Report through December 31, 2017 is appended to this report.

Committee Reports

Section Activities

John Hochheimer observed that Chuck Neff is doing a “super-awesome job” as Section Activities Committee chair.

NAR has added 10 sections since NARAM-59, for a total of 183 sections. Much of this increase comes from new sections affiliated with schools, so that school-affiliated TARC teams have NAR insurance.

Section Grants totaled \$13,000 in 2017.

Chuck is strongly encouraging members to list their section affiliation on their membership renewals. This can be done through the member section on the NAR website.

The Board discussed NAR and sections’ observance of the 50th anniversary of Apollo 11 in 2019. More than half of all sections responded to Chuck’s query to say that they are planning some sort of activity to commemorate the anniversary. Section Activities is also coordinating with the group organizing NARCON 2019 in Florida. Estes says that they will re-issue their Saturn V kit for the anniversary. John Hochheimer will reach out to the Aerospace Industries Association (which sponsors TARC) to discuss possible joint activities.

National Performance Records

O. Lee James III became Records Subcommittee Chair in August 2017. Since then, he has reformatted and updated the U.S. Model Rocket National Performance Records page on the NAR website (<http://www.nar.org/records/>), designed a certificate for presentation to record holders, and streamlined the record submission process. Certificates will be presented to new record holders at national events whenever possible.

John Hochheimer asked Lee to prepare a budget for the Records Subcommittee. Until now, Lee has been absorbing all of the expenses associated with operating the subcommittee.

Education

A new scholarship in honor of Gleda Estes, for women majoring in Science, Technology, Engineering and Mathematics (STEM) fields, will be announced at the NARCON banquet. Judging criteria will be established by the Estes family, who will also serve as judges. This scholarship will be in the amount of \$3000 and will not be renewable (i.e. the judges will select a new recipient each year).

Following up on the discussion of Apollo 11 50th anniversary commemorations, Kevin Johnson offered to provide Vince Huegele and Randy Boadway (Education Chair and Section Activities board liaison, respectively) rules for the “Goddard Contest,” to be used as a potential starting point for commemorative launches. (The Goddard Contest is an event at NASA’s Goddard Space Flight Center that is held each year during the weekend closest to July 20th. It is a simplified Spot Landing contest that draws non-NAR contestants from the surrounding area.)

Claude Maina, who took over from Joyce Guzik as coordinator of the Cannon Awards and Extracurricular Activity Grants, is currently reviewing judging rubrics for both programs. His goals are to make sure that

they are definitely two distinct programs, make the rubrics more useful to the judges, and to ensure that the process is as fair as possible.

A “NAR Education” group is now active on Facebook. Vince will talk to Carol Marple for ideas for improvement.

The Board was in recess from noon until 1:00 PM for lunch.

Elections

The Board discussed ideas for improving the turnout in Board of Trustee elections. Turnout in 2017 was especially low, with a total of 100 ballots cast.

Board members agreed that announcements in the *E-Rocketeer*, as well as on the NAR website and Facebook page, would be quick and easy ways to promote the election. Special e-mails to members to call for nominations, announce that voting is open, and remind members that the voting deadline is approaching, are easy to generate via our Constant Contact account.

Kevin Johnson volunteered to manage the 2018 election. Because Mark Wise, the NAR Secretary, is running for re-election, the Trustees agreed that he should delegate his responsibilities “to prepare, distribute, collect and record the results of ballots” under Article VIII, Section 3 of the Bylaws. Such delegation will prevent any perceived or actual conflict of interest in the conduct of the election.

John Hochheimer invited Todd Schweim, publisher of *Sport Rocketry*, into the meeting to discuss the logistics and timeline for printing candidate resumes and paper ballots in *Sport Rocketry*, and for posting the same information to the NAR website. In that way, we can deliver a ballot to every member without incurring the expense of printing and mailing a separate notice. Ballots will also be available for printing from the NAR website (in the event of family memberships, where multiple members receive only one copy of *Sport Rocketry*) and will be available by request from NAR Headquarters.

Historian

The Board was joined by Jennifer Ash, NAR Historian.

John Hochheimer suggested that the Board take a step back, clarify the Historian’s job description, and think about how to preserve our artifacts. Jumping to conclusions without developing a concept of what we want to preserve (apart from the activities of the Museum of Flight) is not helpful.

Extensive discussion ensued regarding just what the NAR should preserve. Ed LaCroix said that anything to do with sections, such as newsletters and other communications, should be preserved. Jennifer agreed that “All the history is in the sections,” but added that there are several ways to go about preserving that history. Several members felt strongly that we need to digitize what we elect to preserve. Outside the framework of section history, the formation of the NAR and how the NAR adopted high-power rocketry were two topics that the Board considered worthy of preservation. Randy Boadway said that in addition to paper materials, which should go online, other artifacts were important, too – “There are pictures hanging at Estes that belong in museums.” The question of preserving historic kits was also discussed.

Tom Ha wondered how much we could “divorce the hobby from the Association” in a historical sense. Jennifer did not disagree but said that she needed to concentrate on NAR history, while rocketry history was the province of the Museum of Flight. John Hochheimer said that he needed to discuss long-term

goals with the Museum of Flight – what will they do after they catalog the Stine and Estes collections? If we know that, we can think more clearly about what the NAR needs to preserve.

John Hochheimer summed up the discussion so far as the need to preserve section history, section newsletters, section charters, historical items (although the Board is not yet discussing the form of these items), some historically significant kits, slides, plans, and film. Jennifer said that some of these decisions would necessarily be delegated to the Historian.

John Hochheimer moved the discussion toward our short-term requirements with the following questions:

- What is worth preserving?
- What do we do with the material already in the possession of the Historian?
- How does the Board craft a clear policy with regard to the short-term requirements?

Jennifer sees the short-term priorities as follows:

1. Inventory what we already possess. She has begun this process and says that she will dig deeper into the boxes, to know what we do not already have when somebody is ready to donate items.
2. Scanning and digital archiving. Not everything will go online.
3. Crowd-source the indexing task.

Most items are at Jennifer's house, but Art Nestor (previous NAR Historian) also has some boxes.

Kevin Johnson and Randy Boadway both said that documents should be digitized and moved online as soon as possible.

The Board also discussed whether the Historian should cast a wide net for materials or be more selective. Who would do the initial sorting of a deceased member's rocketry collection – should it be the family, a local section (where possible), or someone else? Todd Schweim asked whether it would be possible to find a member who could be the NAR's point of contact for the initial sorting of materials. (Of course, members who are still alive are invited to catalog their own collections.) We can set up criteria for the materials we are interested in collecting and preserving, and post those guidelines to the NAR website.

John Hochheimer summed up this portion of the discussion by saying it would be helpful to have guidelines that we can send to people and suggest they start thinking about what to do with their rocketry things. We should develop a template for an inventory spreadsheet. The Board members are still not agreed whether we should cast a wide or narrow search for historical items. In any event, we need to engage members and encourage them to start indexing their rocketry stuff.

The Board then discussed options for storing and preserving historical items. Jennifer said that the items currently in her possession can stay with her until the Board determines a course of action, but storing any additional acquisitions would be difficult. Ed LaCroix suggested renting a storage facility of some sort. Carol Marple concurred, suggesting we use a record storage facility (as opposed to a standard storage locker) until the Board comes to a longer-term solution. Tom Ha offered storage space in his home, which would be convenient for his son Christopher to digitize materials. Randy Boadway mentioned a member of his section who is interested in spending 10 to 15 hours per week scanning documents for NAR.

Kevin Johnson said that the Board must publicize guidelines for members to pre-sort their materials so that the Historian is not overwhelmed with items the NAR does not need or want. Kevin, Jennifer, and Mark Wise agreed to work on guidelines, setting a target date of June 1 for completing them. Ed said that we also need to set scanning criteria. Jennifer said that she would talk to a company in the Washington,

D.C. area that specializes in scanning historical records and will follow up with Todd. Once the technical standards are set, the Board can send them out to members so that they can do their own scanning.

Data storage is not a major consideration. As Jennifer said, “Terabytes are cheap these days.”

Ed LaCroix moved that the NAR Historian be budgeted \$5,000 for the work of the committee. Randy Boadway seconded. Passed unanimously.

Vince Huegele moved to accept the July 2017 Board of Trustees meeting minutes. Kevin Johnson seconded. Passed unanimously.

Communicating with Members

E-Rocketeer

John Hochheimer said that he needed to send out the E-Rocketeer more often. He asked Board members to help out with additional content, such as the Apollo 11 commemoration, news from NAR Standards and Testing, National Events, and other time-sensitive information. Former NAR presidents Trip Barber and Ted Cochran have volunteered to assist. John’s idea is to generate three or four paragraphs and send E-Rocketeer out through Constant Contact. Todd Schweim can also post the E-Rocketeer to the NAR website as soon as John releases it, and Carol Marple can cross-post it to the NAR Facebook page.

Member survey

John Hochheimer said that the Board is due to send out a NAR Member Survey. He thinks he can obtain the previous survey from Survey Monkey, the vendor who supported it. John will draft a survey and send it to the Board for review. John does not plan to include questions with ten-point scales, although he might include some with five-point scales. He intends to send the draft to Board members for review in the next six weeks.

Monthly Conference Calls

The monthly conference calls allow the Board to take care of business efficiently, and they free up time to get through a lot of business during the semiannual face-to-face board meetings. Since it is obviously impractical to have thousands of NAR members participate in conference calls, the Board must make an effort to make them as transparent to members as possible. John Hochheimer proposed publishing the E-Rocketeer as soon as possible after each conference call, with a summary of the meeting included. Mark Wise agreed to send a meeting summary to John within a week of each conference call, which John can edit as appropriate for the E-Rocketeer.

E-mail

John Hochheimer suggested a nar.org inbox (incoming message only) so that NAR members can reach out to the Board of Trustees to submit issues for discussion during conference calls, as well as any questions. That way, questions can be passed along to the appropriate Board member or committee chair for action.

Social Media Policy

Mark Wise asked whether we need to state a more explicit policy regarding what's acceptable on the NAR Facebook page. Carol Marple added that a policy posted on the "About" section of the page could clarify matters for people who object to some of the actions the moderators find necessary (in particular, deleting posts of unsafe, illegal, or off-topic activities). The Board's consensus was that a more explicit policy would be a good idea.

Combined Motor Listing

John Lyngdal suggested that the NAR stop publishing the combined motor list in *Sport Rocketry*. Keeping the list on the NAR website is sufficient for the "published and publicly available" requirement. Todd Schweim suggested that the list be published in *Sport Rocketry* once a year, in a larger font than currently used. The sense of the Board is to publish the combined motor listing in the January-February issue of *Sport Rocketry* every year, and to do the same for the NAR section listing.

Other

The Rocky Mountain Hobby Expo, a four-day event held in Denver every October, has contacted Vince about providing NAR with a booth at the expo in exchange for publicity in *Sport Rocketry* and on the NAR website. (NAR has often had a presence at such conventions as well as teachers' conferences.) This could provide an opportunity to introduce NAR to an audience of vendors we might not otherwise reach. John Hochheimer will contact the Hobby Expo organizers and a few NAR sections in Colorado to assess interest.

John Hochheimer said that we need to begin succession planning for NAR's critical, hard-to-fill leadership positions. He specifically mentioned TARC and SLI managers, the editor of *Sport Rocketry*, and the NAR Treasurer. No decisions are necessary yet, but the Board needs to consider how to groom people to take over these vital positions at the appropriate time.

The question arose whether dues would be reduced for members who opt out of receiving a paper copy of *Sport Rocketry*. The Board agreed that dues would not be reduced in such cases.

The Board agreed on the following modifications to the 2018 budget: \$2,000 for the Gleda Estes Scholarship, \$7,000 for treasurer expenses, \$5,000 to the NAR Historian as approved above, and an amount to be determined to the Records Subcommittee for printing and expenses.

Mark Wise moved to accept the 2018 NAR budget. Carol Marple seconded. Passed unanimously.

John Hochheimer thanked the board for a very productive meeting.

Kevin Johnson moved to adjourn the meeting. Tom Ha seconded. Passed unanimously.

Meeting adjourned 4:52 PM.

Respectfully submitted,

Mark Wise
NAR Secretary

Financial Report NARCON 2018

Tom Ha

NAR Treasurer

Through December 31, 2017

Statement of Fund Balances

Statement of Financial Position (Balance Sheet)

Statement of Activity (Income Statement)

Statement of Activity – Actual to Budget/Historical

Statement of Investments

2016 Budget

2016 Budget Formulas

General Comments:

Overall, the NAR continues to do very well financially. Balances overall are steady, with the usual balance dip each spring as we pay the big insurance premium (just paid for 2018 at \$78,764.63), and then the increase from the SLI contract monies.

One minor issue that I reported last year is that I must do part of a process in QuickBooks Online, then have Marie complete the process, then I can go back in and do other processes and finally have reports ready in time for NARCON. So timing is everything, and part of the process cannot be started until after we have final statements for December. This year, Marie completed her part on 02/03/2018.

My meeting with Insight Accounting on January 18, 2018, was productive. I went over the payroll process in QBO; we agreed to have them produce the IRS 990 form for this year, we went over pain points in QBO and possible ways to address them and discussed reconciliation (done in QBO unlike Padden Guerrini). Follow-ups were around payroll support and getting EOY 2017 books completed.

Financial Report:

Collins CU accounts:

I closed all accounts except the Committee checking account while I was in Iowa. I will close the last account as soon as checks for US Bank are moved out to authorized signers.

US Bank accounts:

In good shape, pending checks being delivered as requested. Moved to a debit card for John H. on the Committee account, and added a debit card for Marie on the Petty Cash checking account. John will stop using the "Ted Cochran" credit card.

AmeriChoice accounts:

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The rates are significantly better than any other source for our CDs so we will keep our accounts there as they are, with both CDs and national event checking accounts there under one member number. Another older member number has the NARTS accounts.

General Topics:

I completed the Museum of Flight donation letter from scratch, then mail merged the 72 donations for the NAR's campaign towards the MoF into the letter template, then emailed each letter separately to the email address on file. I received zero kickbacks from donor email addresses though I also received no replies indicating that the recipients received them either until 2.16.18 when a donor emailed back about being unable to see the perks at each level.

I started the payroll process after my meeting with Insight Accounting. I am through nearly all of the process to start this officially with the March payment. Previous 2018 payments will be worked backward at the March rate to ensure Marie is only tracked for IRS purposes as a regular employee for 2018, instead of a part-year 1099 employee and part-year standard employee.

As reported in the last Board call, I met with Marie and John in Marion Iowa to review these areas:

- Changing Marie to a payroll employee
- US Bank authorized signers
- Credit card apps and limits (replaced John's with a debit card)
- Check orders for US Bank accounts
- Marie scanning in packets for me
- Removing the recurring monthly transfer to TD Type

I have a fresh USB drive copy of the NAR documents and password file from my PC to pass along to John per SOP for backups.

I have arranged with Todd Schweim to pay TD Type as invoices come in, instead of set amounts each month when invoices are received every other month

Financials Review and Comments:

Statement of Fund Balances:

- **Updated through the end of last year. Note the update to the dollar amounts that were incorrectly entered as positive numbers when they should have been negative. Note that we will be using general NAR funds for R&D and travel grants this year. Related discussion areas noted below.**

Balance Sheet:

- To be further updated and clarified by Insight Accounting.

Income Statement:

- To be further updated and clarified by Insight Accounting.

Statement of Activity History:

- To be updated.

Statement of Investments:

- TBD.

Budget

- Note items in yellow that are not updated. The dollars overall are updated, but some expense areas will drop, and others will increase based on further work by Insight Accounting and me.
- Areas for discussion:
 - I did not add the EAG dollars to the temporarily restricted funds. Should I?
 - Do we want to look for donors to the R&D or Travel Grant Funds?
 - Strategy for disbursing dollars for scholarships, Cannon grants and EAG's. Is the current plan working and should we keep it?
 - Plan for special (new) grant. Is it temporarily restricted? If so, I need to create a new GL for it.
 - Should we determine a specific amount to seed national events with dollar-wise? Or do we want to give out a debit card number for our Committee account that could have \$30K accessible in funds? Note that each national event checking account has its own debit card, but there need to be funds to draw against.
 - What are the dollars incoming and outgoing that we expect related to SLP?
 - Moving the money market account. Money was at US Bank (0.05%), moved to Collins (0.10%). Propose to move to AmeriChoice (0.33%).
 - Should we come up with a dollar amount that would trigger a need to process it through Bill Payment online, so that the Treasurer is aware of the balances and dollars involved? I might recommend dollars over \$5,000. (thinking of SLP checks)
 - Do we expect any other major initiatives that need to be added to the budget?
 - Do we expect any smaller dollars to be added to the budget?
 - What else can I add to make this clearer? I've added items in the past but not in the last year. Please document them for me in an email so I can track who requested them for follow-up.

Treasurer Budget Requests:

Fund through the budget the following:

- Insight Accounting: tax year 2017 990 form, payroll, and misc accounting: \$5000.

- Misc office supplies, QBO/payroll expenses, and other technology items: \$1000.
- Travel to NAR HQ before next budget approval: \$1000.

Treasurer Action Items:

Open

Item #1

Need to discuss who the authorized signers and card users are for the Association based on best practices for an organization of our size.

Below is what was provided to Collins CU, based on previous Board discussion:

“The Board of the National Association of Rocketry authorizes individuals in the following positions to act as signers on organizational accounts at Collins Credit Union: President, Vice-President, Treasurer, Office Manager, Team America Rocketry Challenge liaison, Section Activities liaison. The Board authorizes the following positions to borrow money in the form of a credit card on behalf of the NAR: President, Vice-President, Office Manager. “

In discussion with John H., I would propose that we officially recognize our authorized signers and cardholders as:

The Board of the National Association of Rocketry authorizes individuals in the following positions to act as signers on organizational accounts at Board approved financial institutions: President, Vice-President, Treasurer, Office Manager, Team America Rocketry Challenge liaison, Section Activities Chair. The Board authorizes the following positions to spend Association funds via credit or debit card: President, Vice-President and Office Manager.

The Board expressly permits the Treasurer to arrange access by checks and debit card to NAR National-Event-specific checking accounts for the designated Treasurer for each event.

Keep in mind that the above list only authorizes these positions and does not require the NAR to provide checks or cards to people in the above positions. The Board has the discretionary power to limit access as they see fit. (For example, if a person in one of the above positions is not comfortable with handling NAR funds, they can choose not to have access. Or if the Board has concerns about a person’s ability to handle NAR funds the Board may choose not to provide access or may remove access from that person)

The above meets what we are doing now that works well and limits our exposure. Other risk reduction methods will remain in place including:

- No overdraft for checking accounts to other NAR owned accounts (limits potential loss to only one account)
- Primary funds account is the General Checking account, currently only accessed by the NAR Treasurer via checkbook or online banking transfers to other accounts as needed

- Limits on Committee account available balance, typically under \$30,000 (practical limit based on funds spent through SLP and scholarships)
- Credit card limit of \$20,000 for HQ credit card (used primarily for recurring payments like QBO, membership card printing and paper stock)
- Providing access only to those that require it, for example, the Section Activities Chair would not need access to the International Competition account.

For the purposes of this discussion, here is what we have set up now:

Collins CU Committee Account (to be closed):

John Hochheimer, Tom Ha

US Bank, all accounts:

Tom Ha, John Hochheimer, Marie Stumpe

US Bank Committee Account

Tom Ha, John Hochheimer, Randy Boadway

US Bank Petty Cash Checking account:

Tom Ha, Marie Stumpe

US Internats Account:

Trip Barber, John Langford

AmeriChoice all accounts:

Tom Ha, John Hochheimer

AmeriChoice National Events Checking accounts:

Tom Ha, James Duffy

Completed

Item #1

John H. had offered to take on the task of investigating contract employee vs. direct employee status for Marie. Discussed with Marie on the 2016 visit, but it was unclear at that time how her current pay would be impacted, due to Marie needing to reserve monies to pay taxes and Social Security. At our Board meeting at NARCON 2017, it was determined that we should investigate using Quick Books Online to provide this service.

Respectfully submitted,

Thomas Ha

NAR Treasurer