

Far Western Chapter



President's Message (continued)

Or actively participate in the Silver Star Program by:

- Writing and submitting an article for publication in "The Cooperative Accountant."
- Submitting news articles or special interest updates for publication in our quarterly newsletter regarding exciting events in the lives or careers of our members.
- Actively soliciting or identifying individuals for membership in the NSAC.

Clearly, there are many ways to actively participate in our great organization. As with so many things in life, the benefits to be derived often depend on the effort put into them. Don't miss this opportunity to expand your horizons, network with others in your profession, have fun, and make a difference.

I truly look forward to working with many of you during the coming year. And I especially look forward to hearing any ideas you may have on great things to do, see and/or eat in Monterey!

OUTGOING PRESIDENT'S MESSAGE

Joe Lavagnino

Greetings everyone! Where has the time gone? I cannot believe how quickly this past year has flown by. It has truly been an honor and a privilege to serve as your Far Western Chapter President.

It has been my pleasure to work with the dedicated group of people that make up your Board of Directors and Committee chairs. First of all, I want to express my appreciation to the membership for their continued support this past year. I again want to thank all of the volunteers that served on the various committees and the board for their commitment and the impressive effort they made in organizing and planning the 48th Annual Meeting of the Far Western Chapter. In particular, I would like to extend my congratulations for a great job done by Doug Buehrle in the handling of this year's Time and Place arrangements and Dan Nutley for his excellent presentations for the Education Seminar and the Accounting/Auditing update.

At its Business Meeting on May 23-25, the Far Western Chapter of the NSAC elected new officers and directors for the 2004-2005 fiscal year. Doug Buehrle (CFO of NuCal Foods, Inc) was named President after serving as Vice President last year. Brett Huston (Senior Manager at KPMG, LLP) was elected Vice President. Brent Morrison was named Secretary-Treasurer. Two new Directors were elected to two-year terms, Ana Spyres (CFO of Sunsweet Growers, Inc) and Stewart Easton (Controller of Pacific Coast Producers). Please join me in congratulating these folks for their dedication and commitment to serve as leaders of this Chapter.

I want to give special recognition to the two outgoing directors for their outstanding dedication and service to this chapter, Teree Castanias and Barry Powell. This last year, Teree served as Past President, Silver Star Coordinator, and Nominating Committee Chair. Barry, who served as Director, has always been an energetic backer of this organization. Both will be missed and should be commended for the contribution of their time and efforts to our Chapter.

I wish also to recognize Allen Ludlow for his continuing service and dedication as our chapter's Assistant Secretary/Treasurer. This job reflects some of the behind-the-scenes work that Allen has been doing for a long time. I certainly appreciate his dedication and loyalty.

One more special recognition and that is to our National Directors – Matthew A. Connors (Vice President & Controller of Diamond of California); Richard G. French (CFO of Sunkist Growers, Inc); and Donald W. Butwill (Director-at-Large). These men contribute many volunteer hours at both the Chapter and National level. They serve NSAC with great dedication. I want to personally thank them for their hard work and contributions.

Thank you again for giving me the opportunity to serve as your Chapter President this last year. It has indeed been a privilege.

NATIONAL DIRECTOR'S REPORT

Matt Connors

National NSAC president Bob Beerup recently wrote an article for the national magazine that addressed a number of key issues regarding the

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relocation of the national administrative office. With his permission, I have modified it for this chapter report.

The transition is now complete and the National Office is up and running in Dayton. I encourage you to visit the NSAC website to see the improvements that have already taken place.

Since the management change was announced, the only feedback I have received from my colleagues in the Far Western Chapter has been supportive of the actions or expressing concern that the staff was treated professionally. Nationally we heard limited input. This has been balanced equally between those supporting the change and those with questions or in need of clarification. The questions have fallen into three main categories.

Some questioned whether the National Board acted within its authority. Others didn't question the Board's authority so much as question whether it is appropriate, in a membership organization such as NSAC, for the Board to take this action without asking for member endorsement. The Board did consider those questions prior to taking action. Our bylaws clearly assign the responsibility for managing the Society to the Board of Directors. From a governance standpoint, directors are elected to make decisions like this. The Board felt a public debate would lose focus on the main issues and would unnecessarily put Barb and Debbie through the wringer.

Others challenged the communication to the members prior to the announcement that the decision had been made. Some seemed surprised while others felt well informed. The Board has been studying and talking about this possibility for nearly two years. Nothing was kept secret from the members or the staff. Specifically, your Far Western National Board representatives kept the chapter membership updated through our reports in the newsletter and in discussions with the Chapter Board of Directors.

Some felt that we didn't adequately explain the reasons for the change. The discussion of staffing first came up a couple years ago as the Board was looking at three or four years of consecutive operating losses and a long-term trend of declining membership. We were attempting to figure out how to balance the budget. We had reduced staff, cut other expenses, raised dues, and asked annual meeting host committees to squeeze more and more profit out of annual meetings. These actions placed tremendous pressure on the remaining staff. We began to explore outsourcing strictly as a cost-cutting measure. Our contract with AMC provides for an annual fee of \$96,000 for basic staffing and occupancy. This directly replaces our own staffing and occupancy costs, which amounted to about \$200,000 in the 2003 budget. Other expenses should remain about the same regardless of where management resides. Once we discovered the additional technical expertise that AMC brings to the table, we were convinced we would get more bang for each buck spent, in addition to saving substantial sums of members' money.

Of course, many of the national directors are sad because of our respect for Barb. Those feelings are absolutely appropriate. We haven't always seen eye-to-eye on every issue, but she has always demonstrated professionalism, dignity, and class in dealing with the Board. However that doesn't change the soundness of the decision to make the change. We remain convinced this is the right decision for NSAC.

Your Board provided Barb and Debbie with separation packages we believe are fair and reasonable. We expect to realize significant cost savings in the future, but even with the cost of the separation packages and other one-time transition expenses we are forecasting a negligible impact in 2004. The real savings will become apparent in 2005.

We were pleased to learn that Debbie began a new position April 5 as Education Associate Manager for the National Association of Children's Hospitals and

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Related Institutions in Alexandria, VA. Debbie is excited about her new position and we wish her well.

Now that the transition is complete we can get back to other crucial issues, such as our strategic planning. The strategic plan has been on the back burner the past few months. Kim Fantaci, our new executive director, has experience with strategic planning with the other associations under her firm's management. We will be anxious to get her take on where we are with our strategic plan.

For those of you who subscribe to *Financial Reporting by Cooperatives* ("FRbC"), I have good news and bad news. The good news is that we had an excellent selection of reports from which to draw our 2003 update. The bad news is that we were way behind our target date for getting the update into your hands. But, more good news is that it's been distributed and so far well received. The big hang-up has been the conversion to .pdf format for those of you who receive FRbC electronically. That should be a simple matter, but we had a nightmare experience with the loss of formatting, page breaks, tabs and columns, etc. I am personally disappointed that production of FRbC had been sent to the back burner while we worked on the management transition, but that is simply what happened. The delay was NOT in the national office. Quite a bit of the production was done by volunteers to keep costs down, and the delay was in getting the product to the national office. We are already working to make sure the same technological hang-ups don't occur next year.

Speaking of FRbC, the response to the national office's appeal for annual reports to use in the 2003 update was tremendous. The 2004 update, which should come out around the end of the year, should be better than ever.

The NSAC website has been a source of great frustration for your Board. From what we have seen to date, it appears we are now poised to make major strides with the website, in addition to the

changes already completed, thanks to the expertise Kim and her associates bring to the table.

The changes to date have had to do primarily with cosmetic issues. The graphics and navigation have been upgraded, and we added a secure member-only section to house the membership directory, resource guide, and back copies of "The Cooperative Accountant." We will be adding search capabilities for TCA in the immediate future. We can now handle membership applications and renewals and meeting registrations online, including credit card payments.

It's not too soon to begin planning to attend the annual meeting August 2-4 at the Omni Interlocken Resort, near Denver. By going to our website and clicking on "Upcoming Events" you will find a link to the hotel's website. It looks like a beautiful venue, and Denver is relatively centrally located. It should be easier to get to than many of our past meeting sites.

Registration materials should be any time now. Be sure to check out the early registration discount. At the January Board meeting, the Board approved a member-only, early registration for the entire program (tax plus general) of \$100 less than last year. Now, there's a bargain. I look forward to seeing you in August.

As always, feel free to contact me any time by email at mconnors@diamondnuts.com or by office phone at 209-467-6767.

Value-Added Producer Grants a Good Fit for Cooperatives *Brent Morrison*

The USDA is now accepting proposals for the 2004 Value-Added Producer Grant (VAPG) program.

The purpose of this program is to help independent agricultural producers enter into value-added marketing activities. Because the program

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attempts to aid as many producers as possible, agricultural cooperatives are ideal applicants.

Individual grants may be up to \$500,000 each and can be used for one of two general purposes: (1) planning activities to establish a value-added marketing opportunity for a value-added agricultural product (e.g. conduct a feasibility study, develop a business plan, develop a marketing plan); or (2) acquire working capital to operate a value-added business venture that would allow producers to better compete in domestic and international markets. Grants must be matched dollar-for-dollar, although the match can be either in cash or an in-kind contribution (e.g., personnel time, supplies, office space, etc.).

Twenty California-based organizations received a total of \$4,174,507 in VAPG grants for 2003; half of these recipients were cooperatives. While the 2004 funding has been reduced significantly, the scoring rules have been changed in a way that should benefit producer-owned organizations with a large number of producer-owners, such as cooperatives.

For more information on the 2004 VAPG program, visit the USDA's VAPG page at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. You will find the 2004 funding announcement, the necessary forms, and lists of previous grant recipients.

New Members

We would like to welcome the following new members to the Far Western Chapter:

Mr. Keith Couch

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Far Western Chapter



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The NSAC Board of Directors has approved a policy to permit approved organizations to present graphics, text, and/or artwork promoting their businesses in **The Cooperative Accountant** and certain other publications. In exchange, these organizations are asked to support NSAC as follows:

- One-half page presentation in each of four consecutive quarterly issues of **The Cooperative Accountant**, as well as the **Membership Directory & Resource Guide** - \$1,000
- Full page presentation in each of four consecutive quarterly issues of **The Cooperative Accountant**, as well as the **Membership Directory & Resource Guide** - \$2,000

To promote your business in our future publications, please contact Debbie Kay, NSAC Membership Manager.



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