

NCSG Executive Director's Report

As the 2010 fiscal year draws to a close, results for the year are mixed. However, in light of external reports indicating that the sweeping and overall association industries continue to be fighting a down economy, NCSG should be proud of the position it has been able to maintain this past year. While recruitment lagged behind expected results, retention was slightly better than anticipated which kept our overall membership income less than 4% off budget. More than making up for that shortfall was convention & tradeshow income as well as *Sweeping* advertising income that both came in well over budget for us. The net pre-audit impact resulted in total income exceeding the budget by roughly 6%.

Further enhancing our bottom line for the year was our ability to continue controlling expenses for the organization wherever possible. Expenses were under budget in essentially every major category resulting in pre-audited total expenses coming in at approximately 93% of budget. The net impact has created a very favorable cash flow position for the Guild as we head into the new fiscal year.

Preparations are on course for NCSG's upcoming annual convention in Hartford. While we have a couple of business seminar loose ends that need to be tied up, the overall program is coming together nicely. We have been conscious of addressing what we can based on input we received during our convention earlier this year in Indianapolis.

This year's keynote will be provided by Rob Lindeman based on research he has been conducting this year on a number of sweeping companies across the country. He has spent considerable time investigating some of the industry's most successful service companies, large and small, discovering common threads that have enabled them to find and maintain success. He will share the secrets he has uncovered in the hopes that attendees will be able to take some of his insights back with them and apply them in their own operations. Rob will also apply what he has learned as part of a more intimate breakout session.

Influenced by direct requests coming out of our 2010 convention, our second general session will address the subject of liability. Bret Van Leeuwen of Stratus Insurance. He will address liability issues facing the chimney sweeping industry and their impact on insurance coverage and underwriting. Our program with Stratus is experiencing in excess of a 100% loss ratio based on premiums paid over the past 3 years. This has been greatly skewed by a particularly large loss out east, but none-the-less this remains a hot topic that sweeps across the country need to remain educated about. Bret will follow the general session with a more frank, nuts-and-bolts, conversation as a breakout session in the afternoon.

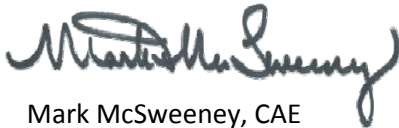
Randy and I had an opportunity to represent NCSG at the European Federation of Chimney Sweeps (ESCHFOE) biannual member conference in Montreaux, Switzerland this past month. We joined 71 participants from 21 countries for three days of economic as well as technical discussions. Energy efficiency is a big conversation within the EU and its implications are having an impact on the sweeping trade in Europe. Discussions from the G2 Summit indicate that the conversation includes the hope that other parts of the developed world (particularly the US and China) will get on the same page. Relative to

EU energy regulations, the target date for all residential buildings to be in compliance in 2020, while the target date for all public buildings is 2018.

Of course, the other primary concern with the various countries represented by ESCHFOE is the issue of deregulation of the sweeping trade. Some countries are well on their way relative to the “new” need to compete for business. Others continue to worry about what the future holds for them. It is their hope that we (the US) will be able to spend some time covering the topics of standards, marketing and communications when we host the ESCHFOE Technical Conference in August of 2011. Plans are already coming together for the event. The host hotel has been chosen, much of the technical content is laid out, sponsorship needs and strategies are being identified with initial contacts already beginning, and the requisite social programming is being developed. We provided a preview of next year’s event to the leadership and delegates in Switzerland and the feedback has been thus far very positive.

Between an aggressive list of topics for our work session and a full business meeting agenda, I am looking forward to a productive couple of days with everyone at the Tech Center later this month. Safe travels and I look forward to seeing you soon.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark McSweeney". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Mark McSweeney, CAE
Executive Director