

**Report of the Executive Director  
NCSG Board of Directors Meeting  
February 24, 2009 • Winston-Salem, NC**

Heading into a new convention year for the Guild, the economy that has been plaguing industries across the board has not hit NCSG full-force but its effects are being felt none-the-less. As businesses and individuals from all corners are looking for opportunities to save expenses, many professional and trade associations are reporting decreases in membership near 10% over the past year. By contrast, NCSG's membership has ranged from flat to roughly a 6% decrease over the year. Like all associations, if we expect to continue to succeed through this down economy, we will need to keep our focus on providing value to our membership.

To that end, a bright spot in our programs continues to be our liability insurance program. With the economy beginning to show an impact on insurance rates for those out on their own, the value of group programs like NCSG's is increasing. We are working with Stratus to monitor losses in the program to see where opportunities exist to improve awareness and manage risks to ensure that the bulk of our participants are able to continue to enjoy a secure program with stable rates.

The industry survey we conducted in the fall resulted in the highest response rate to a survey since I've been on staff. Approximately 30% of our membership responded to the survey, while an additional 6% of the respondents were non-members. 90% of the respondents reported operating less than 4 trucks during their peak season, with 46% of those claiming to run only 1 truck at peak. Relative to the economic impact on business, respondents reported a pretty even split in terms of whether they were experiencing an increase, decrease or little change at all in their straight sweeping services. However, most reported an increase in services such as inspections, appliance installations and repairs. When asked what NCSG could do to help make their businesses stronger, while only half of those taking the survey responded to the question, 37% of those did state that they would like to see the Guild assist in some form of promotional efforts on the industry's behalf.

As the board heads into its annual planning meeting in May, further details and segmentations of the survey will be beneficial. However, while the response to this survey was encouraging relative to our historical results, the statistical significance of this survey is debatable. Perhaps our greatest opportunity remains in our ability to reach the larger industry beyond our own membership. When exploring ways to increase value to sweeps across the country, we need to be able to solicit qualified feedback from a broader spectrum of sweeps, and to do so will require investment in a third party professional survey.

Conversations with OSHA regarding fall protection issues continue to take place. As we've said before, this is a very slow moving government agency project, but believe it or not progress is being made. When we met with OSHA officials in the fall, they

expressed interest in obtaining a better understanding of our training materials relative to fall protection; in addition to the items we have already provided. Rather than shooting in the dark at what they are looking for, they offered to share with us materials they have on hand that would provide us a template of sorts to work with. The materials they are offering to provide have not yet gone through a formal OSHA clearing process, so officials aren't comfortable releasing them to us without obtaining additional permissions. In mid January we did receive an update that internal discussions regarding the clearance process had resumed after the holidays, so we are hoping to have something to work with in the not-to-distant future.

As reported recently via an Executive Update, we have received the written auditor's report for the NCSG fiscal year ending 8/31/08. As expected, their recommendations are essentially two-fold: They would like to see a more formalized segregation of financial duties with more defined internal controls (an issue that Judy and I are working on for the current fiscal year); and they would like to see further exploration of the written agreements that exist between NCSG and CSIA (for example, benchmarking rent paid and discounts received). Both of these items are already on the table for Judy and I to address this spring. As intended, NCSG has separated itself from CSIA over the past 18 months and this audit is a reflection of that successful transition.

We are looking forward to a successful convention and trade show in Winston-Salem. The economy is certainly impacting attendance, but thus far we have controlled expenses in anticipation of a slightly lower than normal attendance. None-the-less, we are expecting in excess of 500 in attendance and we are confident in meeting our host facility obligations including our required room pickup.

I look forward to seeing you all in Winston-Salem.

Respectfully submitted,

Mark McSweeney  
Executive Director