

**Southern Cypress Manufacturers Association
2015 Annual Meeting Decision Summary**

August 22, 2014, 9:00 a.m.–10:30 a.m. (Eastern)

Members

Atlanta Hardwood Corporation	Dan Caldwell
Atlanta Hardwood Corporation	Hal Mitchell
Atlanta Hardwood Corporation	Zack Rickman
Battle Lumber Company	Rusty Logue
Beasley Forest Products/Thompson Hardwoods	John Stevenson
Beasley Forest Products/Thompson Hardwoods	Linwood Truitt
Custom Lumber Manufacturing Company	Chuck Harris
Custom Lumber Manufacturing Company	Jim Van Pelt
Cypress Rose Sawmill	Brian Meier
Fly Timber Co.	Ricky Fly
Denmark Lumber Company	Phil West
Gates Custom Milling	Mark Tuck
Gates Custom Milling	Nancy Tuck
Josey Lumber Company	Joey Josey
Josey Lumber Company	Logan Josey
Josey Lumber Company	Tripp Josey
Sims Forest Products	Andy Johnson
Sims Forest Products	Mark Sanders
Thompson Appalachian Hardwoods	Nordeck Thompson
Turn Bull Lumber Company	Pembroke Jenkins
Turn Bull Lumber Company	Kay Sees
US Lumber	David Warford
Williams Lumber Company of N.C.	John Haggerty
Williams Lumber Company of N.C.	George Riley

Cypress Promotion Sponsors

BB&T Insurance Services—National Forest Products Division	Robin Little
BREWCO, Inc.	Mike Goldston
BREWCO, Inc.	Bill Hendrix
ISK Biocides	Lance Johnson
ISK Biocides	David Summerfield
USNR	Gary Middleton

Guests

Middle Tennessee Lumber Co.	Bill Joyce
Universal Building Specialties	Keilen Hyatt
Universal Building Specialties	Ed Villa

SCMA Staff

Hardwood Manufacturers Association	Linda Jovanovich
Yearick-Millea	Ian Faight

Welcome, Roll Call and Anti-Trust Statement

Hal Mitchell, SCMA president, welcomed attendees to the meeting. Ian Faight completed a roll call, and Hal reminded attendees of the legal limitations on discussions in compliance with the anti-trust laws. 2014 Mid-Year Meeting minutes were accepted by vote.

Year-End Promotion Activities Report

Ian presented a recap of promotion activities since the 2014 Annual Meeting. He reported on the status of TV show projects with Vicki Payne and Ty Pennington, and thanked the members who donated the product for the projects. He provided results from a paid editorial article, which was the SCMA's most successful article to date. He also reported on the completion of the Live Oak Bank case study; an article on the Seagrape House; editorial placements of the case study and articles; news release distributions; National Harwood Magazine articles; Facebook page statistics; and updates on *The Cypress Exchange* newsletter. He noted that the SCMA had hoped to send out four issues of the newsletter, but was unable to do so because some promotion projects were not completed.

Ian also asked members to send him information on projects they are supplying cypress to, for future case studies and articles.

Ian then discussed the Member Services page on the CypressInfo.com website. He said that several members still need to register and reminded them of what all can be found on the page. He then discussed the monthly member update email, online photo galleries, and bevel siding video. Ian suggested the SCMA look into developing a new video on finishing, based on questions sent in through the website.

Next, Ian discussed website traffic statistics and compared them to statistics from the same time period in 2014, noting a significant boost in traffic and citing potential reasons behind the increase.

Please see the attached Year-End Activities Report for complete information.

Promotion Sponsors

Ian thanked the nine industry vendors who supported the SCMA's promotion campaign in 2014, including Baxley Equipment Co., BB&T Insurance Services—National Forest Products Division, BREWCO, eLIMBS, ISK Biocides, Pierce Construction and Maintenance, SII Dry Kilns, Taylor Machine Works, and USNR.

He then named six companies who committed to supporting the SCMA in 2015. Ian provided company overviews for Pierce Construction and Maintenance and SII Dry Kilns, who were not in attendance. Representatives from BB&T Insurance Services—National Forest Products Division, BREWCO, ISK Biocides, and USNR provided a brief overview of their product offerings.

Membership Report

Ian provided an update on SCMA membership, noting that Delta Millworks, Austin, Texas; Sims Forest Products, Muscle Shoals, Ala.; and US LUMBER, Duluth, Ga., all joined the association in the past year. Ian welcomed Middle Tennessee Lumber Co., Dickson, Tenn., as a guest of Chuck Harris, Custom Lumber Manufacturing Company; and Universal Building Specialties, Lakeland, Fla., as guest of Mark and Nancy Tuck, Gates Custom Milling. These companies are considering membership.

He also noted that Acadian Cypress & Hardwoods unfortunately resigned, but is expected to rejoin in the future. Lastly, he reminded attendees of the By-Laws change, which now allows distributors to become members.

Financial Report

Ian delivered the financial report (attached). He noted that the SCMA finished the year with a net income of nearly \$3,200, mostly due to additional promotion sponsor contributions and new members. He also noted that some projects went over budget while others came in under.

Please see the attached year-end financials for complete details.

2015–16 Budget and Promotion Plan

Ian proposed a budget of \$56,125 and presented the promotion plan for the year. Projects included a TV show home sponsorship, a paid editorial release, Facebook advertising, new case studies, and a media relations campaign. The plan also included a contribution to the Hardwood Federation and website optimization.

The budget and promotion plan were passed by vote. See the attached promotion plan for details.

Election of Officers

Linwood Truitt, Beasley Forest Products, was officially installed as president. Chuck Harris, a past president of the SCMA and member of the nominating committee, nominated Brian Meier, Cypress Rose Sawmill, as vice president. The nomination was approved by majority vote.

Ian recognized Hal Mitchell for his year of service as association president and gave a memento.

2015 Mid-Year Meeting

Ian asked attendees for suggestions for a mid-year meeting time and location, and if there are any industry events taking place that should be considered. Attendees discussed returning to Nashville in conjunction with NHLA's National Convention, from October 7–9, or choosing a central location, such as Atlanta. Ian said options will be explored and a decision will be made by Linwood and Brian.

2016 Annual Meeting

The 2016 Annual Meeting is scheduled for Wed., March 9, at the Worthington Renaissance Hotel in Fort Worth, Texas. The meeting will take place during the Hardwood Manufacturers Association 2016 National Conference & Expo.

Other Business

Ian mentioned that the Hardwood Manufacturers Association is looking into developing new hardwood sample kits. He asked the attendees if they would like cypress to be included and said that cypress donations would be necessary. He said he would be in touch with more details.

Dan Caldwell, Atlanta Hardwood Corporation, asked for an update on the long-eared bat issue. Pem Jenkins, Turn Bull Lumber Company, provided information on the issue and highlighted the work of the Hardwood Federation on behalf of the industry. Pem also updated members on the current status of the Hardwood Checkoff Program, which is in a review process.

Nordeck Thompson, Thompson Appalachian Hardwoods, discussed a county road weight limit issue in Tennessee, which is making it difficult to harvest timber.

Linwood Truitt provided an update on the cypress industry in Georgia, where groups are trying to make logging cypress illegal. He said ongoing talk has been favorable for the logging industry.

Attendees also discussed their current state of business, supply and demand, and log inventory. They urged members to do business with other member companies.

David Warford, US LUMBER, suggested the SCMA add photos of different cypress grades to the website, to help set customer expectations.

Adjournment

The meeting adjourned at approximately 10:30 a.m.



Southern Cypress Manufacturers Association 2014–15 Year-End Activities Report

The SCMA held its 2014 Annual Meeting in March. Since then, we've completed two TV show residential projects with renowned hosts Vicki Payne and Ty Pennington, developed a new case study, engaged in media relations and social media campaigns, reached out to new members and promotion sponsors, and made updates to the website. The SCMA was able to reach its target audience and increase exposure for cypress and its members, while operating within the framework of a limited budget.

Following is a recap of promotion activities and projects.

SCMA Promotion Activities

I. TV Show Projects

The SCMA worked with well-known TV personalities Vicki Payne and Ty Pennington on projects in Charlotte, N.C., and Palm Coast, Florida, respectively.

- Hosted by designer Vicki Payne, ***For Your Home*** reaches 20.4 million viewers on PBS, CreateTV, YouTube, and in syndication. Two episodes, which are currently airing, feature a cypress pergola and a raised walkway, as well as an on-camera interview with SCMA President Hal Mitchell.

The SCMA will receive final video footage, and be highlighted at ForYourHome.com and on social media. The SCMA and the product suppliers also will be listed in the show's credits.

Thank you to Atlanta Hardwood Corporation (AHC), Beasley Forest Products, and Gates Custom Milling for supplying the materials for this project.

- The new online series for TV host/carpenter Ty Pennington, ***First to the Future Home***, is available on NextGenHomeTV's website, NGHTV.com, and YouTube. The show covers the design and construction of a home in Palm Coast, Fla., including its use of cypress siding, soffit, and interior ceilings.

The SCMA and AHC received a webpage, photography, and coverage on the show and Ty Pennington's social media pages. In addition, AHC will receive two tickets to the reveal event.

Thank you to AHC for supplying the materials for this project.

II. Cypress Editorial Release

In November 2014, the SCMA issued a paid editorial release, entitled, *Add a Signature Style to Your Home*. The release featured interviews with an architect and two prominent home builders, who discussed the reasons why they build with cypress. The release has generated at least 1,182 placements, reaching an estimated 50 million people across the country, making it the SCMA's most successful editorial release to date.

- **65 newspaper placements**, reaching a potential audience of **2.5 million readers**
- **1,117 online placements**, reaching a potential audience of **47.6 million readers**
- \$3,900 investment generated a **\$401,100 estimated advertising value**
- **ROI = 104 to 1**

III. Website

The SCMA continued adding content to CypressInfo.org to improve its use as a promotional tool and as a resource for information.

- **Case Studies**
The SCMA developed a case study on the use of cypress at Live Oak Bank headquarters in Wilmington, N.C. In addition, the SCMA is completing a case study on the Brock Environmental Center in Norfolk, Va., and researching other projects.
- ***The Cypress Exchange e-Newsletter***
The SCMA distributed two newsletters, which highlighted a new case study, an article on the Seagrape House, the Ty Pennington project, and the editorial release. The subscriber list has grown to **261 subscribers**, an increase of about 11 percent since last year. The next issue is expected following the Annual Meeting and will focus on the Vicki Payne project.
- **Member Services Page**
The SCMA continued updating the Member Services page, which contains upcoming and past meeting information, the SCMA Member Stamp artwork, and other items. Currently, there are 14 registered users, representing 12 member companies.
- ***News and Notes Member Update***
The SCMA continues to send a monthly member newsletter that highlights promotion activities, new members, and other updates. Past issues are archived on the Member Services page.
- **Photo Gallery**
The SCMA continues to add photos to CypressInfo.org. If you have high-res photos that you would like to add, please email them to member-services@cypressinfo.org.
- **Videos**
The SCMA's *How to Install Cypress Bevel Siding* video has received **44,300** additional views since March. The video is available on YouTube.
- **Traffic Report**
Website traffic is up significantly as compared to the same period last year. On average, the site received **77 visits per day**, compared to 56 last year. The site saw 28,084 sessions from 23,158 users who generated 66,538 pageviews. Visitors spent an average of 2:00 on the site and browsed 2.37 pages per session.

IV. Facebook

The Southern Cypress Facebook page now has more than **1,900 likes**, up from 20 as reported in March 2014 and 202 in August. In addition, the page also receives more interaction with followers through status updates and shares. The increase in likes and interaction is mostly attributed to Facebook advertising.

Members are encouraged to email photos of projects they've supplied cypress to, or share them on the Southern Cypress Facebook page.

V. Feature and Other Article Placements

The SCMA placed **7 feature articles** based on the Ty Pennington and Vicki Payne projects, the Live Oak Bank and Usonian House case studies and the Seagrape House article, as well as a feature on decking. The articles have an advertising value of nearly **\$53,200** (value calculated using one-page ad rates for these outlets).

- **ARCHITECT**, the official publication of the American Institute of Architects, featured the Live Oak Bank case study in newsletters (circ. 100,000) and website articles in May and February. The Usonian House case study was featured online.
- **Building Products Digest** magazine (circ. 16,300) and website featured the Live Oak Bank case study in its August 2014 and the Ty Pennington and Vicki Payne projects in its February 2015.
- **Custom Home** magazine (circ. 75,360) and newsletter (circ. 75,800) highlighted the Seagrape House case study.
- **Woodworking Network** featured the Live Oak Bank case study in newsletter (circ. 30,000) and website articles in June.
- **Green Builder Magazine** (circ. 200,000) credited the SCMA for supplying images and information for a feature on decking in its March 2015 issue.

VI. News Releases

The SCMA has distributed **6 news releases** on topics including new officers, three new members, new case study, and the Ty Pennington project. These releases generated at least **22 placements** in industry and design/build publications, online outlets, and newspapers. Placing ads in these publications would have cost more than **\$40,000** (value calculated using one-page/online ad rates for these outlets).

VII. Other Placements

National Hardwood Magazine (circ. 12,000) featured **4** articles written by the SCMA in its April, May, October, and November 2014 issues. The articles discussed SCMA promotion activities and meetings.

The SCMA also was mentioned in at least three other articles that appeared in magazines and newsletters articles.

Southern Cypress Manufacturers Association
Profit & Loss Budget Performance
February 2015

	February 2015	Mar. 1 - Feb. 28, 2015	2014 Fiscal Budget
Income			
4020 · SCMA Membership Dues	4,000.00	48,750.00	48,000.00
4050 · Promotion Contributions	0.00	4,500.00	3,000.00
4080 · Interest Income	0.00	0.40	0.00
Total Income	4,000.00	53,250.40	51,000.00
Expense			
5050 · Yearick - Millea - Fees	666.66	7,996.62	8,000.00
5070 · HMA Management Fees	800.00	9,600.00	9,600.00
5100 · Audit	0.00	1,000.00	1,000.00
5120 · Bank Charges	300.00	300.00	250.00
5130 · Directors and Officers Ins.	0.00	920.00	1,000.00
5150 · Legal Fees	15.00	390.00	400.00
5205 · Hardwood Federation	0.00	1,000.00	0.00
5300 · Administrative Expenses	25.10	263.04	1,000.00
5445 · SCMA Meetings	404.70	6,863.13	6,000.00
5570 · Case Studies	0.00	768.60	1,600.00
5575 · Social Media Marketing	175.83	175.83	1,200.00
5580 · Television Features	0.00	15,000.00	14,000.00
5630 · MAT News Release	0.00	3,861.00	4,300.00
5690 · Advertising	0.00	0.00	1,920.00
5710 · Web Site Updates	0.00	1,914.50	730.00
Total Expense	2,387.29	50,052.72	51,000.00
Net Income	1,612.71	3,197.68	0.00

Southern Cypress Manufacturers Association

Balance Sheet

As of February 28, 2015

February 28, 2015

ASSETS

1070 - 002 - PNC Bank Checking 20,146.34

11000 - Accounts Receivable 1,250.00

TOTAL ASSETS 21,396.34

LIABILITIES & EQUITY

Liabilities

2220 - Deferred Revenue 1,375.00

Total Liabilities 1,375.00

Equity

32000 - Unrestricted Net Assets 16,823.66

Net Income 3,197.68

Total Equity 20,021.34

TOTAL LIABILITIES & EQUITY 21,396.34



Southern Cypress Manufacturers Association 2015–16 Marketing Initiatives

I. Promotion and Marketing

The SCMA has had great success in reaching consumers and design professionals over the past several years through a diverse promotion and marketing campaign, while working within the constraints of a limited budget. This year, the SCMA looks to build on past success, increase exposure for cypress, and enhance its presence on social media.

The proposed SCMA 2015–16 Promotion Plan is headlined by a TV show home partnership, and also includes a mix of public relations and social media activities, case study development, and newsletters. Through these projects, the SCMA plans to reach consumers and design professionals in multiple ways, increase website traffic and social media followers, and continue positioning itself as *the* resource for cypress information.

A. TV Show Home Partnership

\$12,000*

Last year, the SCMA partnered with TV personality Vicki Payne for two episodes of her popular home-improvement show, *For Your Home*; as well as with NextGenHomeTV and host Ty Pennington on the *Next Gen First to the Future Home* series. In exchange for sponsorships and product donations, cypress was featured on TV and computer screens, in magazine articles, and across various social media platforms.

Based on the success of the SCMA's 2014 partnerships, we will again explore working on at least one TV show home project, and negotiate benefits for the SCMA and product donor.

**The SCMA will ask membership to donate the material for the project. The member company that donates the material also will receive partner benefits.*

B. Paid Editorial Placement

\$4,300

The SCMA will develop a homeowner-oriented news release that promotes the use of cypress and features interviews with design professionals. The article will be distributed to thousands of small- to medium-sized print and online news outlets across the country by Brandpoint.

C. Facebook Advertising **\$1,200**

Earlier this year, the SCMA experimented with Facebook advertising as a way to supplement organic audience growth. Based on early success of the ad campaign, the SCMA will continue investing in paid advertising on the social media platform. With an increased budget, the SCMA will reach more people, generate increased activity on the Southern Cypress page, and drive traffic to CypressInfo.org.

D. Photography **\$1,600**

The SCMA will purchase the rights to photography, which will complement case studies, as well as enhance its website and Facebook page.

E. PR Retainer and General Administration **\$12,000**

Yearick-Millea will devote 15 hours per month to cover all time related to writing of news releases and feature stories; researching and coordinating the TV show home project; making website updates; working with HMA staff on social media, administration, and membership development; and other projects, including:

- **Case Studies:** Over the last several years, the SCMA has developed an impressive case study library, which has led to editorial placements in several leading design magazines. The SCMA will continue researching commercial and residential projects that feature cypress, with the goal of completing two new case studies and pitching them as stories to magazines.
- ***The Cypress Exchange:*** The SCMA's general interest newsletter for homeowners, design professionals, and industry veterans continues to gain subscribers. This year, the SCMA will look to distribute issues more frequently with the goal of providing consistent online traffic.
- ***News and Notes:*** The SCMA's monthly member newsletter provides updates on the Association's activities and other related content.

II. Operations

A. HMA Management **\$9,600**

The HMA staff will maintain and update the SCMA website and Facebook page. In addition, HMA will provide dues invoicing and collection; accounts payable; bookkeeping and financial reporting; Buyer's Guide updates; membership development services; and general association and project management. The management fee will be paid in monthly installments.

- F. Annual Meeting and Mid-Year Meeting Expenses** **\$6,000**
This line item covers all expenses related to meetings, including meeting space, food and beverage, A/V equipment, coordination and shipping of meeting materials and other miscellaneous activities. This fee also will cover Yearick-Millea's time and travel expenses to attend the meetings to report on SCMA's promotional efforts.
- G. Website Hosting and Maintenance** **\$5,000**
Since the SCMA last updated CypressInfo.org in 2012, the site has served as a valuable tool for people searching for information on cypress. Now that the site is three years old, it is time to improve the sites compatibility with mobile and tablet devices, as well as its functionality for back-end maintenance.
- This line item covers the cost of updating the website's WordPress theme, hosting, and maintenance that requires outside assistance.
- H. Hardwood Federation** **\$1,000**
The Hardwood Federation is the lobbying body of the industry. It represents the common business interests of members. A contribution supports the Federation's administrative fund.
- I. Miscellaneous Operating Expenses** **\$3,425**
The line item covers other necessary operating expenses, including the annual audit, directors and operators insurance, postage, and legal fees.

**Southern Cypress Manufacturers Association
Budget 2015-2016**

	2015-16	2014-15
Income		
Member Dues (15)	45,000	48,000
First-Year Members (3)	6,625	
Promotion Contributors (6)	3,000	1,000
Transfer From Reserves	1,500	
Total Income	56,125	49,000
Expenses		
<i>Promotion</i>		
PR Retainer	12,000	8,000
TV Show Home Partnership	12,000	12,000
For Your Home Website Advertising		1,920
Paid Editorial Placement	4,300	4,300
Facebook Advertising	1,200	1,200
Photography	1,600	1,600
Total	31,100	29,020
<i>Operations</i>		
HMA Management Fee	9,600	9,600
Meetings	6,000	6,000
Website Hosting and Maintenance	5,000	730
Hardwood Federation	1,000	
Audit	1,000	1,000
Directors and Officers Insurance	1,000	1,000
SCMA Supplies, Postage, Bank Fees	1,025	1,250
Legal Fees	400	400
Total	25,025	19,980
Total Expenses	56,125	49,000
Net Income	0	0
Estimated Assets at Year End	\$21,396.00	\$16,823.00