

MINUTES  
EXECUTIVE BOARD MEETING TELECONFERENCE  
TUESDAY, DECEMBER 19, 2012

Executive Board Attendance:

<u>Quincy, Illinois</u>	<u>Burlington, Iowa</u>	<u>West Point, Iowa</u>	<u>Other Locations</u>
Austin Cloke	Todd Chelf	Mike Hausch	Greg Humphrey
Bill Daniels	Pat Jackson	John McKillip	
Bob Dickson	Kevin Mineart	Steve Morey	
Lonnie Dunn	Ron Teater	Will Sallen	
Brett Gorman	Carolyn Weyer		
Dennis Gorman	Stephen Weyer		
Joe Henning	Rod Wittkamp		
Jeff Kennedy	Stephen Weyer		
Jack Sharkey	Dennis Wilson		
	Rod Wittkamp		

Others in Attendance:

Gary Mertz	Rick Buller
Rosanna Voss	Scott Thiessen
	Jim Thompson

The meeting was opened at 5:01 p.m. by Council President John McKillip with a roll call from each site. A quorum was declared.

Action Items:

- ◆ MOTION (by Ron Teater, second by Mike Hausch) TO APPROVE THE MINUTES OF THE OCTOBER 16, 2012 EXECUTIVE BOARD. Motion carried.
- ◆ MOTION (by Bill Daniels, second by Steve Morey) TO ACCEPT THE MINUTES OF THE NOVEMBER 20, 2012 EXECUTIVE COMMITTEE MEETING. Motion carried.
- ◆ MOTION (by Kevin Mineart, second by Bob Dickson) TO APPROVE THE TREASURER'S REPORT AS PRESENTED. Motion carried.
- ◆ MOTION (by Bill Daniels, second by Brett Gorman) FOR COUNCIL TO ESTABLISH A DEFERRED MAINTENANCE FUND WITHIN THE CAPITAL FUND FOR THE REPLACEMENT OF DEPRECIABLE ASSETS. COUNCIL SHALL TRANSFER 75% OF THE SURPLUS FROM THE FISCAL 2012 OPERATING FUND TO THE DEFERRED MAINTENANCE FUND. THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF THE COUNCIL SHALL BE THE COMMITTEE THAT WILL DETERMINE WHAT REPLACEMENTS AND THE PRIORITY OF THE REPLACEMENT TO THE BOARD OF DIRECTORS OF THE COUNCIL BEFORE ANY EXPENDITURES ARE MADE FROM THE DEFERRED MAINTENANCE FUND. Motion carried.
- ◆ MOTION (by Dennis Gorman, second by Lonnie Dunn) TO APPROVE THE 2013 BUDGET AS PROPOSED. Motion carried.

- ◆ MOTION (by Dennis Gorman, second by Lonnie Dunn) TO A 1% ONE-TIME BOUNDS FOR EACH PERMANENT STAFF MEMBER BASED UPON SALARIES PAID IN 2012. Motion carried.
- ◆ MOTION (by Dennis Gorman, second by Greg Humphrey) TO ACCEPT THE COUNCIL NOMINATING COMMITTEE'S NOMINEES FOR 2013. Motion carried.
- ◆ MOTION (by Dennis Gorman, second by Greg Humphrey) TO APPROVE THE FOLLOWING TEMPORARY ACTION: LIQUIDATE THE EQUITY PORTIONS WITHIN BOTH RESTRICTED ENDOWMENT ACCOUNTS AND MOVE THE MONIES INTO A CASH POSITION UNTIL SUCH TIME AS ADJUSTMENTS CAN BE MADE TO THE ENDOWMENT INVESTMENT POLICY STATEMENT (IPS) IN AN ATTEMPT TO BETTER MEET THE COUNCIL'S INVESTMENT OBJECTIVES. Motion carried.

Report Items:

- ◆ Treasurer's Report: (Bill Daniels) FOS is doing terrific this year, almost \$16,000 positive variance over last year. No change in Net Special Events since last time. We received three grants that we did not budget for which is why there is an increase over budget. Other Direct Support is due to Memorials, mainly for one individual. United Ways are above last year. Scout Shops are above last year. Product Sales will probably fall short of popcorn goal. Had a nice positive variance in Camp Cards. Camping is up \$21,000 and up over last year. Activities is under budget and under last year mainly due to a budgeted Summer High Adventure that did not occur. Other Revenue is up significantly over budget and last year. Two items pushed this up: \$20,000 in Forestry income, and a 990 insurance refund.  
Expense Side – We are under budget on Professional Scouters and clerical and overall about \$15,000 under budget on salaries. Last year we only had \$12,000 for Camp Eastman Ranger due to Workers Compensation case. We are up in payroll taxes principally driven by unemployment claims. Supplies are below budget and last year. Postage is down due to reduction in FOS mailings. Occupancy is down from budget and last year. Travel is slightly up over last year, but down from budget. Other Expense represents \$10,000 expenditure of Robotics grant. For eleven months, we are at a positive \$81,000, mainly due to popcorn revenue.
- ◆ Resolution: (Bill Daniels) Bill brought forward the following resolution:  
 “WHEREAS, it is the best interest of the Mississippi Valley Council (the “COUNCIL”) to establish a Deferred Maintenance Fund for the replacement of depreciable assets, and  
  
 “WHEREAS, the COUNCIL expects to end fiscal year 2012 with a surplus in the Operating Fund after the transfer of memorials gifts and forestry revenue to the Capital Fund and/or the Endowment Fund (the “SURPLUS”).  
  
 “NOW THEREFORE, BE IT RESOLVED:  
  
 “1. The COUNCIL shall establish a Deferred Maintenance Fund (the “FUND”) within the Capital Fund (also known as fund 2) for the replacement of depreciable assets.  
  
 “2. The COUNCIL shall transfer 75% of the SURPLUS from the fiscal 2012 Operating Fund to the FUND.

“3. The Executive Committee of the Board of Directors of the COUNCIL shall be the committee that will determine what replacements and the priority of the replacements to the Board of Directors for the COUNCIL before any expenditures are made from the FUND.”

Bill explained the magnitude for this year is the bottom line right now is about \$81,000. About \$10,000 will be moved to Endowment, about \$20,000 of Forestry money will be moved to Capital, leaving \$51,000 of which 75% will be moved to this maintenance fund.

- ◆ Budget: (Bill Daniels) Bill stated we take the conservative approach in developing the budget. We are not budgeting for grants we aren't going to get, so Foundations and Trusts are lower than current. Big driver is Memorials in Other Direct Support. United Way budget is slightly up from our current 11-month number. Sales of Supplies (Scout Shops) due to shift of where we are going to recognize credit card charges. Camping Revenue is projected to be up due to increase in fees. Activity Revenue is \$45,000 this year and projected to be \$217,000 next year due to Jamboree (which is budgeted at \$150,000). Projected Total Revenue is \$1,278,790. Expenses – Salaries are up over previous years due to camping operations – we will try to hire better staff and pay higher. Also more fully staffed in 2013. Other Expenses – Supplies are up significantly driven by Jamboree. Conferences & Meetings, we are trying to get newer staff to conferences and meetings. Other Expenses, year-to-date represents \$10,000 in robotics plus \$4,000 increase for 2013 for credit card fees. Surplus Budget is \$13,576.
- ◆ Compensation & Benefits Committee Report: (Bob Dickson) In meeting with the salary committee, based on *Journey to Excellence*, we have done very well budgetary wise. Discussed were merit increases from 1% to 3%, depending upon the employee. Also, would like the Board to consider a 1% one-time bonus for each permanent staff member based upon salaries paid in 2012. Total Salaries paid in the first 11 months of 2012 are about \$461,000, backing out camp staff salaries of about \$55,000 gives an annualized salary figure of about \$460,000. 1% equals about \$4,600.
- ◆ Journey to Excellence Report: (John McKillip) John reported the Council is currently at Gold level with 1950 of 2500 points. Last year we were at 1700 points. We essentially medaled in each category.
- ◆ Black Hawk Lodge Report: (Austin Cloke) Austin reported Black Hawk Lodge performed a service project at John Wood Community College Historical Society on December 1<sup>st</sup> with about ten people participating. Winter Banquet was a success. OA members will help out at Polar Bear. They are preparing for Brotherhood.
- ◆ Tribe of the Silver Tomahawk Report: (Will Sallen) Will reported they had a meeting on December 13<sup>th</sup> which went really well. David Lane is their new Staff Advisor. Preparing for Winter Banquet. Planned work days for the second Saturday of each month.
- ◆ Nominating Committee Report: (Dennis Gorman) Dennis reported the committee consists of Charlie Bach, John McKillip, Pat Jackson, Bob Dickson, Gary Mertz and Dennis Gorman. They have had many meetings telephonically. One goal is to talk with others. Four nominees for 2013 Executive Board are Terry Dowell of Burlington, Tom Dickerson of Quincy, Rev. Mark Spring of Montrose, and Deb Nichols who works at the Iowa State Penitentiary. Dan Wiedemeier will be coming back to the Advisory Board.
- ◆ Friends of Scouting Report: (Brett Gorman) Brett reported the Council is not quite at 2012 goal, but close. Still have a week to go to accomplish this. The FOS Team has had a hard

working year. He thanked everyone for all their hard work. Eagle Ridge District made goal first on October 31<sup>st</sup> with Shoquoquon District making goal on November 1<sup>st</sup>. River Valley is lagging behind about \$5,500. Council goal is \$245,000 with pledges received at \$239,000. Council is at 97.9% of goal; not finished yet. Brett then asked each location to distribute 2013 pledge cards to those in attendance and asked for personal pledges of all Board Members.

- ◆ Endowment Report: (Jeff Kennedy) Jeff reported there was an Endowment Committee meeting on December 6<sup>th</sup>. He has taken the last couple years to observe as the “new guy”. He has read the investment policies. He does not think results are consistent with the Council’s expectations. There has been quite a bit of volatility in the past. Now, we are back to where we started almost two years ago. Total return on the endowment accounts since February 2011 has only been just under 2.5% and income has not been very good on the accounts either. US Bank showed 1.9% income and Mercantile Bank showed 2.0% income on the October 31, 2012 statements. Both accounts have also been too volatile. There are opportunities with much better income potential that should be explored. Jeff suggested bringing recommendations to the next full board meeting in April; however he is concerned about potential volatility if we wait too long. Bill Daniels asked if this is something the Executive Committee would be allowed to authorize. Jeff stated he had not prepared a recommendation to put before the Board and that we need to bring in another advisor. John McKillip stated we should look at the January Executive Committee for a recommendation; then see if we put it on the February Annual Meeting or possibly turn the March Executive Committee meeting into a full Board meeting. Jeff stated it might be prudent to move equities into cash until the “fiscal cliff” is resolved. Greg Humphrey added his concern about this issue and pressed to craft a resolution for the Board’s approval to make this move immediately. The general consensus of the members present was that issues regarding the “fiscal cliff” and debt ceiling debates going on in Washington, DC could cause increased volatility in the stock market. Given our experience in the accounts in 3<sup>rd</sup> quarter of 2011, during the last debt ceiling debate, the Board felt it was prudent to revisit our investment strategy. To that end, the Board took the following action:

The endowment chairman shall take the following temporary action: liquidate the equity portions within both restricted endowment accounts and move the monies into a cash position until such time as adjustments can be made to the endowment Investment Policy Statement (IPS) in an attempt to better meet the Council’s investment objectives. The plan is to bring an investment advisor in to the January Executive Committee meeting and present the Executive Committee’s recommendation to the full board in April for a vote on recommended changes.

- ◆ District Chair Reports:
  - Eagle Ridge: (Lonnie Dunn) Eagle Ridge has had an awesome year to say the least. First time in 14 years, they have met their FOS goal. About 2.5% gain in membership by year-end. Brent Babyak will be the new District Chairman. Using *Journey to Excellence* for goals. Ending the year as a Gold District. “Kudos” to Eagle Ridge.
  - Shoquoquon: (Todd Chelf) Shoquoquon also had a great year. Up by 8.1% in membership and FOS is at 105.4%. Kicked off 2013 FOS and currently at 16.6%

- of goal. Gold District for 2013 (last year was Silver). Next year will have same chairman and commissioner. Added some folks and revamping FOS procedures.
- River Valley (John McKillip) River Valley held its annual business meeting on December 13<sup>th</sup>. District Chair and Commissioner remain the same. Most Cubmasters and Scoutmasters are trained but a small handful. Concerned about Crew Advisors. Training District Committee on January 31<sup>st</sup>. Currently have 13 Eagles to-date. River Valley District Dinner is January 12<sup>th</sup>. Rechartering needs 2 Packs, 5 Troops and 7 Crews. Went over in year-end membership yesterday. Looking forward to Heather's return on January 7<sup>th</sup>.
  - ◆ Scout Executive Report: (Gary Mertz) Gary presented Brett Gorman with a thank you gift for being the Council FOS Chair from 2000 to 2012. We still need a Council FOS Chair for 2013. This is the second year we will be a Gold Council. We are one of only a few Councils in the Region to be at 3% Membership growth. Gary read a congratulatory email he received from the Area Director. Camp Cards were ordered today with 3,000 more than last year.
  - ◆ Council President's Report: (John McKillip) John noted a few of the upcoming events, not listed are the District Dinners where Eagle Ridge and River Valley are January 12<sup>th</sup> and Shoquoquon is January 26<sup>th</sup>. Council Dinner is February 9<sup>th</sup>. Once again, we are a Gold Council for the second year in a row, which is outstanding. John asked the volunteers to take a second to thank our spouses, boyfriend, girlfriend, etc for allowing us to take the time to devote the time to Scouting. Over 11,000 recorded service hours so far with over 3,000 people participating in those hours. John stated this is his last Board Meeting to preside over. Extended his personal thanks to all Board Members and Professional Staff for the support he has received. "Merry Christmas to all and to all a good night."

The meeting was adjourned at 6:10 p.m..

Respectfully submitted,

Gary S. Mertz  
Scout Executive

Attest: \_\_\_\_\_  
John McKillip, Council President

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