

MINUTES  
EXECUTIVE BOARD MEETING  
APRIL 16, 2013  
TELECONFERENCE

Executive Board AttendanceQuincy

Charlie Bach  
Austin Cloke  
Bill Daniels  
Bob Dickson  
Lonnie Dunn  
Dennis Gorman  
Jeff Kennedy  
Jack Sharkey

Burlington

Donna Buss  
Janet Cameron  
Todd Chelf  
Terri Dowell  
Bill Ell  
John McKillip  
Kevin Mineart  
Ron Teater  
Carolyn Weyer

Other

Brent Babyak  
Tom Dickerson  
Greg Humphrey  
Reed Hutchcraft

Other Attendance

Ryan Barnes  
Gary Mertz  
Rosanna Voss

Jim Miller  
Scott Thiessen

Dean Zayed

Bob Dickson called the meeting to order at 5:30 p.m.

Action Items:

- ◆ MOTION (by Dennis Gorman, seconded by John McKillip) TO APPROVE THE MINUTES OF THE DECEMBER 19, 2012 EXECUTIVE BOARD MEETING AS WRITTEN. Motion carried.
- ◆ MOTION (by Bill Daniels, seconded by Dennis Gorman) TO ACCEPT THE MINUTES OF THE JANUARY 15, 2013 EXECUTIVE COMMITTEE MEETING AS WRITTEN. Motion carried.
- ◆ MOTION (by Bill Daniels, seconded by John McKillip) TO ACCEPT THE MINUTES OF THE MARCH 19, 2013 EXECUTIVE COMMITTEE MEETING AS WRITTEN. Motion carried.
- ◆ MOTION (by Lonnie Dunn, seconded by Jeff Kennedy) TO ACCEPT THE TREASURER'S REPORT AS PRESENTED. Motion carried.
- ◆ MOTION (by Dennis Gorman, seconded by Bill Daniels) TO APPROVE DR. STEVEN KRAUSE TO BE ADDED AS AN EXECUTIVE BOARD MEMBER. Motion carried.
- ◆ MOTION (by Todd Chelf, seconded by Bill Daniels) TO APPROVE COMMISSIONER'S REPORT AS PRESENTED. Motion carried.
- ◆ MOTION (by Dennis Gorman, seconded by Lonnie Dunn) TO APPROVE MEMBERSHIP REPORT AS PRESENTED. Motion carried.
- ◆ MOTION (by Dennis Gorman, seconded by Lonnie Dunn) TO DEFER THE DECISION ON PROCEEDING WITH ENDOWMENT BROKER IN ORDER FOR THE ENDOWMENT COMMITTEE TO ANSWER QUESTIONS AND MAKE A RECOMMENDATION TO THE EXECUTIVE COMMITTEE AND THE EXECUTIVE COMMITTEE MAKE A RECOMMENDATION TO THE EXECUTIVE BOARD AND TELEPHONICALLY VOTE AS QUICKLY AS PRACTICABLE. Motion carried.

Report Items:

- ◆ Treasurer's Report (Bill Daniels): Bill Daniels reported the Council is still doing pretty good for the first three months. We are over budget on the income statement by \$13,000. Special Events are up; Foundations & Trusts are on track. Other Direct Support is ahead for the most part. Product Sales is behind last year. Investments are behind, mostly from Mercantile. Camp Revenue is \$7,200 positive variance to budget due to the timing of Saukenauk Scout Reservation hunting revenue. Activity Revenue is ahead of last year, slightly below budget. Other Revenue is above budget by \$4,500, but down from last year due to forestry money. On the expense side, Professional Fees will catch up; mainly due to Audit fees. Occupancy is below budget and last year. Net was budgeted to be \$4,200 positive, we are currently \$48,000 positive. The Balance Sheet shows our financial condition continues to remain strong.
- ◆ Nominating Committee (Dennis Gorman): Dennis Gorman offered Dr. Steven Krause as a nominee for the Executive Board. Dennis also reported the Nominating Committee continues to meet. If anyone has any suggestions or thoughts for new members, they should contact Dennis Gorman, Bill Daniels or John McKillip.
- ◆ Commissioner's Report (Donna Buss): Donna Buss reported that we will be planning a late March/early April 2014 Commissioner College in Burlington. Dennis Stewart will be the Dean of the College. Nine Commissioners from River Valley and Shoquoquon attended the Hawkeye Council Commissioner College on April 6<sup>th</sup>. Our Council Unit-to-Commissioner Ratio is 2:1 which is third in the nation. We need about twenty Commissioners to pull ahead. As of April, we are close to 40% of units having two or more recorded visits by Commissioners. The Council has only 22 units that have recorded service hours. The Council may want to consider a Council Civic Service Chair and subsequently District positions in the same category to help promote this. Commissioner Service is striving to get every Commissioner involved in the unit self-assessment process and program planning. Eagle Ridge has Commissioner Training in April; their Unit-to-Commissioner Ratio exceeds 4:1. River Valley Unit-to-Commissioner Ratio is close to 3:1 with twenty commissioners registered, but working to get more commissioners active; Commissioners needing basic training can attend training on May 11<sup>th</sup> in Burlington. Shoquoquon Unit-to-Commissioner Ratio of 1.5:1. Carolyn Weyer and Donna are discussing a council-wide unit summit this summer. The idea is this will improve retention, increase JTE scores, improve local programs/units and thus increase membership. All Commissioners are being reminded to make sure units who have had "Fire-Up" recruitments have a plan in place to involve new Kindergarten Tigers from now until August.
- ◆ Journey to Excellence (Donna Buss): Donna reported the Council is at silver level, overall. We need an additional 100 points in our Membership score to be Gold. We should see some improvement in that category, but it will remain an uphill challenge. Significant problems are in Membership Growth and Service Hours.
- ◆ Membership Report (Carolyn Weyer): Carolyn reported all three Districts have dates set for "Fire-up for Scouting". Everything is in place. We should have a good recruiting season.
- ◆ Capital Campaign Progress Report – Council Service Centers (Bill Ell): The Council Facilities Committee was charged with assessing the Council's offices and Scout Shops focusing on whether we need two offices, two scout shops, can we have one shop and ship or deliver, and can we have a "roving" shop. Since the first meeting of the committee in March, considerable research has been completed. Some initial conclusions have been determined and several options were considered. The committee makes the following recommendation regarding the Scout offices: The Council should maintain only one Scout office, and because the main office is currently located in Quincy, it would be logical and reasonable to have the one Scout office remain there. The committee further believes this would be the most cost effective solution. The Committee further

recommends that although the Scout office in Burlington would essentially be eliminated, the Council should maintain or secure space in Burlington for meetings of the Professional staff and volunteers. It was the consensus of the Committee that shipping may become costly and unreliable and would not provide the service necessary. Therefore, the Committee recommends the Board not pursue the option of one Scout Shop and ship or deliver. It was the consensus of the Committee that having a “roving” shop would require considerable staff time and may also prove to be unreliable. Therefore, the Committee again recommends the Board not pursue this option. It is recommended by the Committee that the Council maintain two Scout Shops (one in Quincy and one in Burlington) in order to provide our members with the service they are accustomed to. Other considerations relative to the Committee recommendations include: (1) The Quincy facility is in need of considerable repair. In assessing those needs, total cost of repair and renovation would be \$71,600.60 which includes replacement of windows & roof, repair to exterior, new awning cover, and interior renovation of carpet, painting, possible wiring, and interior construction. (2) The Burlington facility is also in need of some repair work. Total cost of repair and renovation would be \$13,600.00 which includes eaves & soffit work, replacement of windows, and interior renovation of carpet, painting, and interior work. Total cost of repairing and/or renovating both facilities would be estimated at \$85,200.06. (3) The Quincy facility does not have adequate space for the Scout Shop operation. (4) Both the Quincy facility and Burlington facility have inadequate space for storage of popcorn, merchandise, etc. Repair and/or renovation will not solve this problem. (5) Parking at the Quincy facility is less than good. “The Big Question” the Committee is confronted with: Do we really want to spend \$85,000 to \$85,000 and end up with facilities that do not meet our needs? After careful consideration of the many options available, the Committee would recommend the following: Sell both buildings; include in the capital campaign a new facility as the main office and seek a store-front operation in Burlington. This recommendation may not be what people want to hear, but it seems to make the most sense; it is reasonable, it is logical, and could without doubt fulfill our needs. Something must be done with our office and Scout Shop facilities soon; so, the question for the Board is – how do you want us to proceed? Dennis Gorman stated before we get too far down the line, the name on this (Quincy) building is Gardner. The family has been long Scouting supporters including two foundations. We don’t want these folks to read in the paper. Dennis stated he is not opposed to selling, just need to be careful how we do it. Donna Buss asked, are we kind of putting the cart before the horse – until we decide to do a capital campaign. Dennis Gorman stated the “elephant in the room” is the vote in May at National Annual Meeting. It’s only a matter of time before Scouting will change its membership. Donors will then cease donations completely to our Council and to BSA, including a capital campaign.

- ◆ Capital Campaign Progress Report – Council Camps (John McKillip): John reported he had a couple conversations with a gentleman, Virgil Reed, of National’s Second Century Camp Task Force. Our camps will be evaluated this summer and we will receive a report this Fall. Virgil Reed suggests we wait until we receive the report.
- ◆ Camping/Activities (Kevin Mineart): Kevin reported the numbers for pre-registration are coming in pretty good. Tiger Cub Camp-out and three Wolf/Bear Resident sessions will be held in June, and two Webelos Resident Camp sessions in August. 532 youth have pre-registered, which is about 116 more than 2012 and over 200 more than 2011. Boy Scout Camp has about 900 pre-registered, of which 640 are in-council. We are about 115 Boy Scouts ahead of 2012. We have six weeks of camp scheduled versus five in 2012. The sixth week is LDS Week and has about 80 youth pre-registered, 53 of which are out-of-council. The hope is that some of the increase is attributed to new programs being offered at Summer Camp, including ATV and STEM (Science, Technology, Engineering, Math) program. Some of the new merit badges being offered as part of STEM include robotics, welding, engineering, and nuclear science. The Online Merit Badge system is

going live the end of this week. This system keeps from over-scheduling youth for merit badges at camp.

◆ District Chair Reports:

- Brent Babyak reported for Eagle Ridge District. As of last night, FOS exceeded 85%. Family has already exceeded 2012. Goal is to have FOS wrapped up by April 30<sup>th</sup>. Trivia Night is on Friday, April 19<sup>th</sup> at O'Griff's in Quincy. Pancake Breakfast at Applebee's will be held in late May or in June. Spring Camporee had 130 participants and showcased Horsemanship Merit Badge. Overall, a great time was had by all. Fall Camporee plans are to be centered around the Lincoln sites in Quincy including demonstrations in period dress. District Committee is active. Still trying to fill a couple key positions. There are nine activities scheduled in the District for the Fire-Up for Scouting recruitment.
- Janet Cameron reported for River Valley District. Continue to work on District Committee members. April District Committee Challenge – the person who brings the most people willing to help out, gets a prize. Changing Membership Chair to Training. Soliciting a new Membership Chair on Friday. Regarding FOS, any pointers Eagle Ridge can give, will be gladly accepted. Currently at about 40%. Hoping for big money from Nauvoo. Trivia Night will be held on April 27<sup>th</sup> in Montrose. BALOO Training will be held at 1:00p.m. on May 18<sup>th</sup> in Warsaw. Working on Fall Camporee centered around the Law Merit Badge with a mock trial in Carthage to be held in September between Wood Badge weekends. Hope to get 65-75 youth during the Fire-Up for Scouting recruitment.
- Todd Chelf reported for Shoquon District. FOS is at 67% of goal. Seeing some weakness in Family presentations. Community campaign is doing well. Membership is down about 100 from last year; focusing on new units this spring. Fire-Up for Scouting started tonight. Lost Membership Chair. Spring Camporee is this weekend. Fall Camporee will be switching things up. It will focus on Cub Scout Day Camp at Starr's Cave to get younger Scouts fired up. Cubmobile will be held in downtown Burlington on May 11<sup>th</sup>. Camping numbers are up about 31% from 2012 largely in part because of designating Brett Stewart and Austin Orr to be camping promoters.

◆ Scout Executive's Report: Gary Mertz thanked everyone for being patient with us. We just set up the system today for teleconferencing. We are in the process of setting up new phones in both offices this week. Gary thanked Ryan Barnes for all the work he has done on these systems. The Council is strong. Coming up are the Wine Event, Sporting Clays, and Corporate Pinewood Derby. A question was asked about Burlington Distinguished Citizen Dinner. Scott Thiessen reported the event will be held on May 2<sup>nd</sup> honoring Dennis Hinkle. Attendance has exceeded expectations.

◆ Council President's Report: Bob Dickson stated all reports were excellent. District Chair reports were very thorough. Membership is our biggest obstacle. There is one more visit in Quincy for United Way. Quincy Distinguished Citizen Dinner has yet to identify a recipient. The event will probably be planned for the Fall. Membership Standard surveys collected from March had a strong message – maintain as is and remain status quo. Our Council's recommendation to National is to maintain status quo.

◆ Endowment Report (Jeff Kennedy): Jeff introduced Dean Zayed, President of Brookstone Capital Management (Brookstone CM), who joined us on the telephone. Brookstone manages a lot of money. The key to their success is blending of several strategies, not just diversifying. Dean Zayed gave a presentation using a PowerPoint presentation that was available at both locations. Endowments Needs are capital preservation, stronger yields, growth, and diversification. Currently, our endowment is largely cash. Brookstone proposed a blend of alternate strategies.

They recommend using the following: Brookstone Capital Management’s (BCM) Current Income Portfolio, BCM’s Best Ideas Portfolio, Morningstar Managed Portfolios Dividend Select, BCM’s SMARToption (Hedged Equity), Canterbury Portfolio Thermostat, REITs (Real Estate Investment Trust), GWG. The recommended investments provide reduced volatility and increased performance through a diversified portfolio of non-correlated separately managed accounts; potential for capital appreciation with stability of principal through Current Income and GWG; Best Ideas model, an “all weather” portfolio that allows fund managers to move into and out of investments in reaction to market conditions. It was stated that we probably won’t see attractive returns if we use traditional portfolios. Jeff Kennedy wanted to give the Board exposure and wanted the same approach as Jeff does with his clients. Concerns will be addressed in Committee. The website for Brookstone is [www.brookstonecm.com](http://www.brookstonecm.com). Looking for a motion to work with the manager and take back to committee to work out details. Rod Wittkamp stated the need to study this further, discuss and think. Todd Chelf agreed with Rod. Rod proposed the Board think about it and asked how much of endowment is in cash. Jeff replied 45% is in bonds, the rest is in money market accounts. Rod stated the Council effectively lost out on \$150,000 to \$200,000 in value if we had not made changes in December. Dennis Gorman would like a recommendation from the Endowment Committee to the Executive Committee to the Executive Board. Dennis stated we don’t want to sit around until June; we want to move on this. Todd Chelf stated we have no knowledge of manager fees, etc. Dennis Gorman stated the Board needs to digest the information, raise questions, and should only take about a week to make a decision. We are looking for a recommendation from the Executive Committee. Any questions or thoughts should be emailed to Rosanna Voss at [rosanna.voss@scouting.org](mailto:rosanna.voss@scouting.org). A summary will be put together and will be sent out to everyone to review. In February 2011, our endowment was sitting at \$1.54 million, December 2012 (20 months later) endowment was at break even, and April 2012 was same as December 2012. Jim Miller asked if we need to amend our investment policies.

Meeting adjourned at 7:35 p.m.

Respectfully submitted,

Gary S. Mertz  
Scout Executive

Attest: \_\_\_\_\_  
Bob Dickson, Council President

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