

ORANGE COUNTY COUNCIL, BSA ANNUAL BUSINESS MEETING

WM. LYON HOMES CENTER FOR SCOUTING

TUESDAY, JANUARY 22, 2019

6:00 pm

ATTENDANCE: Terry Adams, Bill Baker, Clay Baxter, Greg Beck, Jeff Bozanic, John Aaron-Bozanic, Stuart Blakeney, Steve Bradley, Melanie Butler, Brad Comp, Janine P. DuMontelle, Terri Dunn, Barney Ellis-Perry, Mark Engstrom, Keri Gaydos, Victoria Gray, Dennis Hardin, Deborah Harrington, Dan Hay, Wes Heusser, Jeff Herrmann, Joe Koch, Ed Laird, Kerry Lamperts, John Lerch, Tom Ling, Stuart Lowe, John Middleton, Paulo Morales, Frances Nguyen, Lan Nguyen, John Norment, Marcos O'Rourke, Pat Posey, Tom Sales, Bill Scarberry, David Schmid, Stephen Skahen, Helen Stainer, Jim Stainer, Jessica Starbuck, Philip Stump, James W. Taylor, Mark Wille

STAFF: Will Abbott, Julie Anderson, Evelyn Ayala, Peter Brown, Marty Cutrone, Holly Davis, Devon Dougherty, Jessica Fernandez, Alex Fritz, Elena Garcia, Anthony Geukens, Theo Geukens, Matthew Harms, Dave Jarvis, Todd Lassig, Sally Lawrence, Matt LeBouf, John Miller, Brian Morrissey, Kim Moss, Michael Oehmke, Janet Padilla, Alvin Phan, Andrew Royster, Jorge Ruiz de Somocurcio, Dinh Thai, Danny Tucker,

**WELCOME**

Mark Engstrom, Chairman of the Board opened the meeting at 6:03PM. A quorum was present.

**OPENING CEREMONY**

John-Aaron Bozanic, the Wiatava OA Lodge Chief carried out the opening ceremony.

**APPROVAL OF MEETING MINUTES, RESOLUTIONS AND BYLAW CHANGES**

**Action Item: Mark Engstrom called for a motion to approve the minutes of the 2018 Council Annual Business Meeting. Bill Baker made the motion. Jeff Bozanic requested that the number of units achieving JTE status be confirmed. The number stated in the minutes was confirmed. It was seconded by Steve Bradley. Motion was approved unanimously.**

**Action item: Mark Engstrom called for a motion to approve the following Council Resolutions that were in possession by all members. John Lerch made the motion. It was seconded by Bill Baker and approved unanimously. The items were:**

- A. Officers and staff to conduct business in 2019**
- B. Conflict of interest for executive board members**
- C. Conflict of interest for council employees**
- D. Whistleblower protection policy**
- E. Council charter approval**
- G. Specific Assistance Funds**
- H. Renew First Bank Line of Credit**
- I. 2019 Membership Growth Plan**

## **BYLAWS**

**Action item: Mark Engstrom for a motion to approve all changes made to the bylaws (Exhibit 1) David Schmid made the motion. It was seconded by Victoria Gray and approved unanimously.**

## **2018 ANNUAL REPORT:**

**Council Commissioner's Report:** Council Commissioner, Greg Beck, reported that youth retention remained at 83%, beating the national average and earning the gold standard for retention in the JTE program. One hundred- and sixty-six-unit commissioners were registered achieving a 1 to 3.4 for unit to commissioners ratio and recording almost 4,400-unit visits. 70% of units received a JTE rating and 89% rechartered on time with little to no defects.

**Treasurer's Report:** The **unaudited** 2018 financial statements show Fund 1-Operations with an increase for the year of approximately \$936k in unrestricted net assets. \$820k of that surplus will be transferred to Fund 2 in 2019 to reduce debt in that fund. Fund 2- Capital 2 has a deficit of approximately \$1,814k. This was a result of debt service, capital expenditures and depreciation/amortization. Fund 3 had a negative fund balance decrease of approximately \$884k (\$683k of that amount correlates to market losses in 2018 and does not reflect new restricted gifts raised in 2018.) Therefore, all funds financials show a deficit of approximately \$1.7million. Excluding depreciation and market performance, the total increase in net assets across all funds is \$152k. The significant operating fund surplus and \$5million debt reduction in 2018 had a substantial positive impact on the Council's financial position.

**Exploring Report:** Helen Stainer, Executive Board member, reported that there were 44 posts in 2018 serving more than 1,100 high school participants. Fundraising increased by \$3,000 over 2017 to support the Exploring program and provide individual scholarships. The Spurgeon award was presented in 2018 to community leader Richard Porras, Tustin Police Chief Charles Celano Jr., Irvine Police chief Mike Hamel and Anaheim Fire Captain Les Fitzgerald.

**District Operations/Program Impact Report:** John Norment, Vice Chair of Operations, reported that ten of eleven districts had fully functioning Key 3's and the new field executive specialist model continues to help units and districts improve customer service. Of the eleven traditional districts three achieved bronze, five earned silver and two received a gold rating.

In 2018 there were over 8,000 camper nights at Schoepe Scout Reservation at Lost Valley. More than 3,600 or 46% of our Boy Scout youth attended a long-term resident camp. Nearly 1,400 Cub Scouts and close to 800 adult volunteers attended Day Camps. Overall, 31% of Council Cub Scout youth enjoyed a camp experience.

The Council awarded 719 Scouts the rank of Eagle, 2 Venturing Summit Awards and 3 Quartermasters. in 2018. 70% of Cub Scouts and 52% of Boy Scouts earned a rank, both ahead of the national averages. In 2018, 54% of total registered leaders participated in at least one training session.

The Council hosted several successful council-wide events including the popular Scout-O-Rama. Lan Nguyen, Scout-O-Rama chair and his committee organized the event where close to 12,000 people attended and 102 units participated.

Orange County scouts provided just under 135,000 community service hours which averages almost 8 hours per scout. The Council's largest annual service project was relabeled "Day of Service" where more than 75 unique projects were conducted countywide.

**Outdoor Adventures:** Bill Baker, VC- Outdoor Adventures, reported that the Council's four camps served 35,840 youth participants. Scouts and scouters camped more than 6,450 nights in 2018 at Oso Lake Scout Camp. The Campmaster Corp. provided 2,360 hours of volunteer time toward program at Oso Lake. Wiatava Lodge provided \$3,600 in funding and countless service hours to rebuild the barbecue area at Oso Lake including the addition of needed shade.

Summer attendance at Schoepe Scout Reservation at Lost Valley was 1,345 youth, an increase of 42% over 2017. Two new programs were added: mountain boarding and a paintball target range.

The Newport Sea Base served over 5,890 youth in 2018 with outstanding programs in boating, sailing, ecology, and maritime adventure. The rowing team has over 240 Jr. High, High School and master athletes and has set new record in California and the nation. The Class of 2019 has 7 athletes that have received collegiate scholarships. Another highlight in 2018 was the launch of 2 new programs: The Sailing & Marine Science Home School Enrichment Program and the Sailing & Robotics Workshop.

The Irvine Ranch Outdoor Education Center served 26,568 campers in 2018. Nearly a year after the October 2017 Canyon Fire 2, ground was broken in preparation for a new Adventure Hill and the citrus grove was redesigned as a biologically diverse two-acre food forest. In preparation for the property's upcoming 10<sup>th</sup> anniversary in 2019 a new logo was created, Communi-Tree.

**OA Lodge Report:** John-Aaron Bozanic, 2019 Lodge Chief, reported that over 48,000 service hours were provided by the lodge through a wide variety of projects including intercoastal cleanup, Day of Service, popcorn distribution and maintenance and improvements at our camps. The Lodge also earned the National Service Award for the eleventh year in a row. Two hundred sixty-four new members were inducted to the Lodge in 2018 and achieved silver status in OA's JTE program. The Wiatava Lodge had 936 members in 2018.

**Fundraising and Development Report:** Terry Adams, Vice Chair- Fundraising, reported on special events, Friends of Scouting, grants, capital gifts, legacies and bequests for 2018. The Golden Eagle and FOS campaigns achieved over \$1.1 million in 2018. The merit badge sponsorship program raised \$18,500 and the corporate matching gifts topped \$80,000. Deborah Harrington reported that in 2018 the Council kicked off the \$25 million Endowment Campaign. effort. It was launched at Bob Olson's newly opened Lido House Hotel and continues to move forward.

**Membership Impact Report:** Jessica Starbuck, Vice Chair-Membership Impact, reported that the Council served 18,545 youth and 612 units. The first homeschool pack in our Council's history was launched in 2018. BSA also kicked off the historical change of girls being a part of the Cub Scout program at Scout- O-Rama in 2018. In preparation for Scouts BSA in 2019, several information nights and special events including Scouting 101 took place. The Council currently has 215 girls registered in 40 packs and there are over 30 all girl troops preparing to start Scouts BSA on February 1.

The Outreach Team continues to show solid progress with 205 youth registered in 17 units including one new pack. A key program focus was on service with eleven unique projects conducted. Two of the packs and one troop held their first overnight campout at the IROEC. Seven scouts also reached the rank of Eagle this year.

**Strategic Alliances Report:** Dennis Hardin, Vice Chair-Strategic Alliances, reported that in 2018 the district membership teams contacted over 75 new unit prospects; met personally with 62 potential new chartered partners and organized 16 strong sustainable new units serving 195 new youth and their families.

The training team led by Bernie Kilcoyne provided quality "leader specific" trainings to 27 chartered organization representatives totaling over 200 CORs trained over the past 4 years. A high-quality Strategic Alliances newsletter was mailed to all chartered organization representatives and institutional heads three times during 2018.

**Marketing Report:** Tom Ling, Vice Chair- Marketing reported that the Council had more than 55 scouting stories in 20 publications in 2018. We saw growth in social media efforts with the top 3 platforms (Facebook, Instagram and Twitter) seeing an increase in activity by 18%, 16% and 13% respectively. The Council Marketing Department also worked to aid other council departments in reaching their goals. One of the Council's Wildly Important Goals for 2018 was to create more positive and impactful public relations and the team exceeded all of those goals in 2018.

**Action item: Mark Engstrom called for a motion to accept the 2018 Annual Report. Bill Baker and Jeff Bozanic made the motion. It was seconded by Steve Bradley and approved unanimously.**

### **2019 ANNUAL OPERATING BUDGET:**

**Mark Engstrom**

The 2019 All Funds Budget was reviewed and recommended by the Executive Committee and the Treasury Group and included in the meeting packet. The proposed budget for Fund 1 is a balanced budget. A few highlights include the following:

- Direct giving will show a 12% reduction in traditional FOS and 7% decrease in Adventure Cards.
- Popcorn will continue to increase
- The introduction of a new direct giving programs to generate additional revenue streams include the Subscription Plan, Insurance Recapture Fee and 2 new special events.
- Continuation of upward trend in camping revenues
- Almost all increases in expenses are related to compensation: direct program staff increases at camp properties for program expansion and required compensation increases from California minimum wage requirements

Fund 2 projects have been isolated to camping projects that either affect health and safety or are required for additional program review. Also, the William Lyon Homes Center for Scouting was approved for a "facelift" in 2018 so work is scheduled to be completed in the first half of 2019. New assets and expenses for maintaining existing assets is projected to be \$1.4million. Income funding will consist of planned major giving and grants. Money raised for these projects will cover the expenses of capitalizing the projects (occupancy) and funding the interest on the IROEC loan.

There are two assumptions for 2019 Fund 3 (Endowment) budget:

- Growth (or loss) of both net realized gains and unrealized losses are not budgeted as they are functions of market performance and aren't liquid funds.
- On the expense side, compensation expenses from endowment fundraising have been isolated in Fund 3. Other expenses such as investment management fees have also been isolated.

**Action Item: Mark Engstrom called for a motion to approve the 2019 budget. Terry Adams made the motion. It was seconded by Dan Hay and approved unanimously.**

**Recognition of Service:** Mark Engstrom recognized the following volunteers who were in attendance for their exemplary leadership as they retire from their current posts:

- Mark Wille, Council Treasurer
- Greg Beck, Council Commissioner

### **Election**

**Ed Laird, Nomination Committee Member**

**Action Item: The Council Nominating Committee placed in nomination the names listed as “Members at Large” to be elected as Council Members at Large for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**Action item: The Council Nominating Committee placed the names in nomination listed “Executive Board Slate 2019” as members of the Council Executive board for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**Action item: The Council Nominating Committee placed the names listed “2019 Officers and Executive Committee” in nomination as members of the Council Executive Committee for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**Action item: The Council Nominating Committee placed the names listed “2019 Council Chairman’s Advisory Committee” in nomination as members of the Board of Regents for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**Action item: The Council Nominating Committee placed the names listed “2019 Local Council Representatives to the National Council” in nomination as members of the 039 Local Council Representatives to the National Council for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**Action item: The Council Nominating Committee placed the names listed as “2019 Council Audit Committee” in nomination for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**Action item: The Council Nominating Committee placed the names listed as “2019 Council and District Commissioners” in nomination as Commissioners for a one-year term ending at the next Annual Business meeting. The motion was approved unanimously.**

**ADJOURNMENT:**

The meeting concluded at 7:36 p.m.

MINUTES SUBMITTED BY:

MR. JEFFRIE A. HERRMANN  
Scout Executive

MINUTES APPROVED BY:

MR. MARK ENGSTROM  
Chairman of the Board