MINUTES OF THE COUNCIL BOARD OF DIRECTORS

April 17, 2013
The Union League Club
65 W. Jackson Blvd.
Chicago, Illinois

The following members of the Board of Directors were present:

John C. Leonard
Lou Sandoval
Jason Accola
Robert E. Armour (Phone)
James L. Chandler
Larry Chesler (Phone)
Dave Cocagne (Phone)
Brian P. Dolan (Phone)
Jack W. Dougherty
John P. Dozier
Rita M. Egan
Glenn E. Emig
Timothy M. Harrington
Michael A. Hierl
Reginald J. Hill (Phone)
Brian L. Kasal (Phone)
Theodore Kumzi
Maria Lopez (Phone)
Thomas E. McDonough
Charles Norwesh
Art Pedraza
Francis J. Podbielski
Joseph M. Podbielski
Jeffrey Riemer (Phone)
Teri Ross
Joseph P. Sener (Phone)
E. Thomas Thilman (Phone)
Andy Wallace
Thomas P. Wiffler

The following member of the Advisory Board was present:

Thomas D. Allen (Phone)

The following members of the Chicago Area Council staff were present:

Steven G. Adams
H. Charles Dobbins
Maureen F. Elroy
Myriam Herrera Gilhuly
Shayna Hofmeister
John F. Jones

The following guests were present:

Drew Glassford
Leslie Stoughton

Summary of Motions

Approval of February 20, 2013 Board of Directors Minutes	Ross/McDonough/Approved
Approval of March 20, 2013 Executive Committee Minutes	Ross/McDonough/Approved
Approval of April 1, 2013 Board of Directors Minutes	Ross/McDonough/Approved
Acceptance of Treasurer's Report	Emig/Ross/Approved
Approval to Proceed with Council Reorganization Plan	Kasal/McDonough/Approved
Adjournment	Wallace/Accola/Approved

As of this date, there are 54 voting members. A quorum consists of one-third of the voting members (18). 29 voting members were in attendance and a quorum was present.

President Mr. John C. Leonard called the meeting to order at 7:35a.m. Mr. Leonard welcomed the members.

Mr. Leonard asked for a motion to approve the minutes of the February 20, 2013 Board of Directors meeting. Ms. Teri Ross moved the February 20, 2013 Board of Directors meeting minutes be approved. Mr. Thomas E. McDonough seconded the motion and it was approved.

Mr. Leonard asked for a motion to approve the minutes of the March 20, 2013 Executive Committee meeting. Ms. Teri Ross moved the March 20, 2013 Executive Committee meeting minutes be approved. Mr. Thomas E. McDonough seconded the motion and it was approved.

Mr. Leonard asked for a motion to approve the minutes of the April 1, 2013 Board of Directors meeting. Ms. Teri Ross moved the April 1, 2013 Board of Directors meeting minutes be approved. Mr. Thomas E. McDonough seconded the motion and it was approved.

Treasurer's Report

Ms. Rita M. Egan reported that Cash in the Operating Fund is $161,383 more than last year, due to donations coming in for the Mega events which are being held a month earlier than in 2012. Ms. Egan said that Contributions Receivable is down $6,871 in the Operating Fund due to a decrease in district Friends of Scouting and Owasippe campaigns. Ms. Egan said Long Term Investments in Fund 3 is up $301,921 due to 2012 operations shortfalls and the Council continuing to carry a balance on the line of credit.

Ms. Egan said that Income – Total Support and Revenue is $56,104 under budget and Net Friends of Scouting is under budget by $60,734, with all campaigns under budget. Ms. Egan said that Net Special Events is over budget $16,282. Ms. Egan stated that Foundations and Trusts is under budget by $9,069, Net Activity Revenue is below budget $5,754 due to some activities not achieving budget, and Net Product Sales is $6,786 over budget.

Ms. Egan stated that Expenses – Total Employee Compensation is $12,588 over budget and that Total Expenses is $37,472 under budget. Ms. Egan said that the Expense categories over budget are Rental & Maintenance of Equipment, Recognition & Awards (mostly in Popcorn, Field Service and the Friends of Scouting campaign), Interest Expense, due to the outstanding line of credit being more than budget, and Other Expenses, due to the timing on Special Event on-line fees which should catch up in April.

Ms. Egan said that the operating deficit through March is $405,157 compared to a budgeted deficit of $386,525, for a negative variance of $18,632.

Mr. Glenn E. Emig moved the Treasurer's Report be accepted. Ms. Teri Ross seconded the motion and it was approved.

2013 Budget Update

Mr. Robert E. Armour reported that the Council accounting system was updated in early February 2013. Mr. Armour said that a minor glitch in the new system has prevented budget projections from being produced, but that a solution is being sought and the projections should be available soon. Mr. Armour said that Controller, Ms. Janice A. McCreary is now providing Controller services to the Northwest Suburban Council in addition to her duties with the Chicago Area Council.

Mr. Armour said that the Friends of Scouting campaign is making progress, but the Board of Directors campaign is off to a sluggish start. Mr. Armour said that the Mega events have been held and are expected to result in a $10,000-$20,000 increase in revenue. Mr. Armour said that the total expenses for the event have not yet been determined and that invoices are outstanding and should all be received by the end of May. Mr. Armour stated that the Whitney Young Dinner and the Fall

Luncheon are being organized. Mr. Armour said that Camp Cards are being distributed and that summer camp attendance information will be available in May. Mr. Armour said that the majority of Foundation income is historically received in the fourth quarter of the year.

Mr. Armour said that expenses are on target with the budgeted projections, but the increase in Salaries is due to severance agreement payments. Mr. Armour stated that $600,000 on the line of credit was used to fund the 2012 cash shortfall. Mr. Armour said that the Investment Committee and the Executive Committee will strategize the Council's debt position and develop an action plan.

Dr. Francis J. Podbielski reported that the Board exceeded the 2012 Friends of Scouting goal of $105,000. Dr. Podbielski said that the 2013 campaign goal has been set for $125,000 and that 100% participation would provide a leadership model for district and unit volunteers and families. Dr. Podbielski said that approximately $47,000 has been collected to date, which represents 25% of the overall goal and that of the 81 members of the Board, not including the District Chairs, 15 have paid their pledges.

Mr. Jason Accola reported that the Family Friends of Scouting campaign has collected $56,000 cash and is on target to reach the $178,900 goal. Mr. Accola said that the Iroquois District, under the leadership of District Director, Mr. Roberto Colon, has reached their goal of $18,800.

Directors and Officers Liability Insurance

Mr. H. Charles Dobbins reported that the National Boy Scout of America has changed Directors and Officers Liability insurance carriers and that all registered Board members and Chartered Organizations will be covered under the policy. Mr. Dobbins said that constitutional claims will not be covered under this policy and that the Council Risk Management Committee is researching the feasibility of obtaining Directors and Officers Liability insurance independently of the National Boy Scouts of America.

Mr. Dobbins said that in the spirit of full disclosure and to meet the principles of the conflict of interest policies, the Council insurance broker is, and has been for many years, Willis of Illinois and that board member, Mr. Art Pedraza currently services the Council account. Mr. Dobbins stated that the company and Mr. Pedraza provides exemplary service and that the $6,000 commission earned from the account is in line with other insurance brokerage firms.

Nominating Committee Update

Mr. Reginald J. Hill reported that the Nominating Committee is reviewing nominations for the upcoming Board of Directors slate to be presented at the June 17, 2013 Annual Meeting. Mr. Hill said that more minority and female candidates need to be sought and asked the members to submit potential candidates to himself or Mr. H. Charles Dobbins.

Council Reorganization Update

Mr. Lou Sandoval reported that the vision to reorganize the Council to provide a higher level of service to units and positively impact the Scouting experience had been well received by Council volunteers.

Mr. Sandoval said that the plan would divide the Council into two Super Districts; a North Super District (Ft. Dearborn, North River, Indian Trails and Western Trails) and a South Super District (River Trails, Greater Southside, Iroquois, and Arrowhead). Mr. Sandoval said that the current programmatic districts would continue to exist and they would become Unit Service Districts and would be organized under the leadership of the District Commissioner.

Mr. Sandoval said that informational meetings regarding outlining all aspects of the plan and the responsibilities of each volunteer position will be held with leaders of the districts and the commissioner staff so that significant membership growth and unit success can be achieved.

Mr. Brian L. Kasal moved to proceed with the Council Reorganization Plan. Mr. Thomas E. McDonough seconded the motion and it was approved.

Fundraising Report

Mr. H. Charles Dobbins reported that the Construction Industry Dinner, chaired by Mr. Bert Brandt, Project Manager of Lend Lease, raised approximately $527,600, which is approximately $40,000 over budget and the Metals Industry Dinner, chaired by Mr. Paul S. Ioriatti, Vice President, Chicago Region of Earle M. Jorgensen Company raised approximately $517,000, which is approximately $20,000 under budget. Mr. Dobbins said that donations are still coming in and final results, including expenses, should be available in May. Mr. Dobbins said the Silent Auction was slightly below budgeted revenue, but many items were donated so expenses were reduced.

Mr. Dobbins introduced Ms. Shayna Hofmeister and Ms. Myriam Herrera Gilhuly and thanked them for their outstanding leadership of the Mega events.

Mr. Dobbins said the LaSalle Street event needs a chair and would take any recommendations that the members could offer. Mr. Dobbins said the proposed date for the event is mid-September.

Mr. Dobbins stated that plans are underway to combine the Community Friends of Scouting lunch with the Fall Luncheon and collaborate with other Chicagoland councils to make the event a success. Mr. Dobbins said that a potential speaker for the event is Mr. Roger S. Goodell, Commissioner of the National Football League.

Mr. Dobbins said that plans for the Whitney Young event are underway and that Mr. John W. Rogers, Jr., founder of Ariel Investments, LLC, which is the United States' largest minority-run mutual fund firm, has agreed to be the 2013 recipient of the Whitney M. Young, Jr. Service Award.

Mr. Dobbins said that the Council is undertaking adding a new Food and Beverage industry event and that Mr. William S. Kies, Jr., who is an Eagle Scout and involved in NESA and served as the former President of the Independent Grocers Alliance (IGA) will chair the event.

Membership Standards Update Report

Mr. H. Charles Dobbins reported that meetings with Chartered Organization Heads, Council Members-At-Large, and Board members to evaluate the pros and cons of both maintaining the current policy and making a policy change have been held and that the Council's National Representatives would be directed to vote the Council's overall point of view at the National Annual Meeting.

Mr. Dobbins said the National Board Executive Committee is currently meeting to determine the resolution that will be presented for a vote at the National Annual Meeting in May.

Annual Meeting Update

Mr. H. Charles Dobbins reported that the Chicago Area Council Annual Meeting will be held on Monday, June 17, 2013 at 7:00p.m. at the Soul City Church located at 1130 W. Adams Street, which is across the street from the Steve Fossett Center for Scouting.

Scout Executive's Report

Mr. H. Charles Dobbins reported that the Council had been invited to participate in a National Learning for Life pilot program along with other Chicagoland councils and that the purpose of the program to demonstrate that with proper training and following the proper timeline, councils can be financially sustainable offering Learning for Life curriculum programs. Mr. Dobbins introduced Ms. Leslie Stoughton as the National employee who will service the program. Mr. Dobbins encouraged the members to supply Ms. Stoughton with any school contacts they may have so she may make a connection to facilitate expansion of the program.

Mr. John C. Leonard said that meetings to discuss the possible consolidation and collaboration of four of the Chicagoland councils, which include sharing services and collaborative camp usage, are progressing and that a task force will be formed to explore the details of ensuring outstanding service to youth and achieving optimal financial sustainability.

Mr. Dobbins thanked the members for attending and all they do for Scouting.

Mr. Andy Wallace moved to adjourn the meeting. Mr. Jason Accola seconded the motion and the meeting was adjourned at 8:40a.m.

Respectfully submitted,

H. Charles Dobbins
Secretary

Approved:

_____ _____

John C. Leonard, President Date