

# Minutes

*Board of Directors Meeting*

*Junior Achievement of Southeast Texas HQ*

*Thursday, February 22, 2018*

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## Attendees

**Board:** Evelyn Angelle, Tracy Beam, Tom Behanick, Jody Black Juliet Breeze, Sue Burnett, Cindy Coleman, Jeff Deatsman, Tom DeBesse, Rene Degreve, Greg Ebel, Greg Engel, Greg Garland, Mark Lashier, Ernie Leyendecker, John Lionberger, Bruce Macklin, Jeff Miers, Niloufar Molavi, Scott Prochazka, Mark Saurin, Nigel Searle, Jerry Simon, David Skinner, Melissa Sowell, Frank Steininger, Geeta Thakorlal, Greg Vesey, Jim Vick, Carol Warley, Deanna Young

**Staff:** Jennifer Anderson, Lisa Anderson, Joe Burke, Kacy Cameron, Monica Caudillo, Monica Espinosa, Rick Franke, Ne’Cole Caldwell, Kimberly Green, Nikki Hanley, De Jones, Patty LaLonde Wayne Lutz, Marlene Meyers, Ryan Purser, Cathy Rivera, Miko Starks, Liisa Williams

Chairman Greg Garland called the meeting to order at 11:45 a.m. Greg welcomed board member Jeff Miers with Accenture who is attending his first meeting.

Minutes of the November 10<sup>th</sup> meeting were emailed after the meeting. A motion to accept the minutes was made and approved.

Greg Ebel presented the Nominations Report. Nominees for membership are: Jamie Reynoso, Memorial Hermann; Mark Saurin, Dow; Nigel Searle, ExxonMobil and Geeta Thakorlal, INTECSEA.

Board resignations include the following: Frank Cassulo with Chevron has been transferred to Calgary. He and public affairs are committed to finding an executive level replacement. Brian Evans with WorleyParsons - this is a planned transition with Geeta taking his place. Harvey Vigneault with TechnipFMC is also leaving.

Lynne Lachenmyer has retired from ExxonMobil and Jeff Boettiger has relocated to Dallas with Schlumberger, both wish to remain on the board to assist in their successor’s transition.

JA is working on a nominee replacement for Enterprise Products and ConocoPhillips.

A motion was made to elect the proposed nominees, motion carried.

Greg Garland announced that Rick Franke will retire on 6/30/18. A search committee was formed in December for his replacement, the members are: Greg Ebel (Chair), Niloufar Molavi, Joe Kelly, Scott Prochazka and Frank Steininger. Greg Garland introduced Greg Ebel. Greg Ebel informed the board of the search committee’s process and progress. There will be a media announcement today. The committee and executive committee agreed the search should be conducted as a closed process with some assistance from JAUSA. JAUSA provided information regarding qualified field candidates and are being engaged as is required by the operating agreement. Committee members met with Jennifer Anderson and Joe Burke internally to inquire regarding their interest. Joe expressed interest in the job and is being considered. A recommended candidate will be made to the executive committee on March 20<sup>th</sup>. The desire is for there to be an introduction of the President elect at the HOA gala on March 29<sup>th</sup>. Rick will lead the transition through 6/30. With the new President on board July 2<sup>nd</sup>.

Greg Ebel presented a document required for adoption by the board from JAUSA (attached) - Resolution Establishing a Presidential Search Committee and Its Authorities. A motion was made to approve the resolution. The motion was approved and signed by the Chairman, Greg Garland.

Greg Engel reviewed the January financials. JASET is \$600K behind in revenue to budget. Staff is doing well at managing expenses. The stock market is faring well for investments. JA had already realized and drawn down budgeted interest for cash flow needs in the fall. A request motion was made to withdraw \$300K from the board-designated funds to cover cash flow needs for operations. Motion carried. A second motion was made for approval of the January financials. Motion carried.

Joe Burke presented the Development Report dated February 15<sup>th</sup>. Challenges due to Harvey and mergers and acquisitions are greatly affecting revenues. New donor support is helping to offset some of the losses but not enough. The personal campaign is down in great part due to CB&I's acquisition. They facilitated previously a large internal giving campaign for JA. JA is also experiencing limited interest from private foundations. JA was considered but not selected for support from OTC. On the special events side Bowl-A-Thon is down and the three most successful companies are not yet engaged either due to merger challenges or board transition. JA is working hard to get them reengaged. Joe requested every board company to please participate in Bowl-A-Thon as it is a minimum investment for a large return. BAT contributed \$900K in revenue last year. Class fees are also down for Capstone due to Harvey. The staff is doing their best to reschedule lost classes but there are limited dates available.

Niloufar Molavi gave a report on the HOA gala. We have 59-1/2 tables sold and 67 is our goal. Companies can purchase ads that will be in the literature the evening of the gala. The event is at a new location this year, The Marriott Marquee on March 29<sup>th</sup>. JA will be using a new mobile bidding application that we hope will drive up silent auction revenue. Chevron Schlumberger scramble and the Marc Vandermeer presented by Inspirity are both progressing well to date. However, JA lost Sam's Club as a sponsor for the Vandermeer tournament and we are seeking a replacement. Joe encouraged everyone to participate or help engage others in one or more events.

Jennifer Anderson presented the Education Report. We anticipate being down approximately 4,000 students in Katy as the schools are no longer requiring JA as part of the curriculum. We are down 3,600 students for JA Inspire, and about 1,000 students based on programs that could not be delivered in the fall due to disruptions caused by Harvey, and three JA Days on the Astros parade day. Staff is doing their very best to fill the gaps but we will need the help of every coordinator and board company to fill the makeup classes. Please meet with and encourage them to be proactive in this endeavor for the kids and our schools.

On a positive note, an additional 2,500 students are expected to participate in a MassMutual/JA leadership event at the Toyota Center. An additional 2,000 students are expected to engage in JA training from Hire Houston Youth, and an added 500 are expected to be a part of a Dynamo/Dash Job Shadow.

A current list of shortages were provided in members packets (current list attached). Jennifer reiterated for everyone to please support their coordinator's and ask others to be flexible. JA is considering developing a team of emergency volunteers and requested board help with contacts at other companies. Cards were distributed with a request for those completed to be returned to her.

Evelyn Angelle, JAUSA board representative, presented that we have exceeded JASET's goal of raising \$1M for JAUSA's Share the American Dream Campaign. AIG has given a generous donation, which placed us over the top. She also commented on JAUSA's efforts to adopt a new funding/business model, which is being chaired by President, Rick Franke. The proposed plan calls for a flat charge of 10% against revenue, no student fees and program materials sold to areas at true cost. The proposed model will replace a three decade old plan that was heavily weighted on revenues generated through program material markup and student fees. The result of which created a significant disparity in what some markets pay and others do not for the same services. Due to this disparity, adoption will require a phase-in period. The plan requires a field office vote to adopt. Hopes are to implement the plan in the 2018-19 fiscal year.

Rick Franke gave his President's Report and opened by presenting Scott Prochazka with the JAUSA Silver Leadership Award. He also announced that Evelyn will receive the Gold Leadership Award at the President's Volunteer Service Awards Summit in New York on March 14<sup>th</sup>.

Rick discussed JA Inspire and Capstone challenges for 2018-19. HISD districts overwhelmingly want to continue both programs. However, unless more companies agree to participate, specifically for JA Inspire, the program will need to be discontinued. We are unsure of the implication that will result from HISD's huge deficit. The district currently funds transportation for both events and student fees for JA BizTown and Finance Park. We are seeking to jointly, with HISD, pitch to The Houston Endowment. However, there is uncertainty if that is a viable option due to Harvey relief efforts and the possibility of the district focusing on other things. Sue Burnett asked how losing funding from HISD would affect us. Rick responded the potential loss is \$180K/year.

As part of the America Dream Campaign, there will be a rewrite for JA BizTown. It will be much more tech based. We are seeking a sponsor for the upgrades expected to cost \$150,000 for hardware. If not secured soon a release of funds will be necessary.

Rick did recognize Houston First. They cut their facility fees from \$20K to \$5K for use of the GRB. Rick also reported that JA Inspire will continue in Cy-Fair ISD, East Harris County, Spring Branch and Lee College.

Rick echoed Joe's plea to do the Bowl-A-Thon. New company participation has resulted in \$170K in new revenue, but we have lost \$315K. This is an efficient and fun way to help us recover.

Rick made a few announcements: Saturday is the annual Company Program Trade Fair at Memorial City Mall if anyone wants to come out and support the Company Program kids. The Company Program kids also decorated a rodeo boot. We will get \$1K from Reliant just for doing this, but if you vote on Facebook for the best boot and we win, we will get \$10K from Reliant.

Greg Garland reminded everyone of the next board meeting date, and that the executive assistants' luncheon will be held on April 17<sup>th</sup>.

Meeting was adjourned at 1:00 p.m.

Recorded by: Richard W. Franke

Respectfully submitted: William Swanstrom Secretary