

Minutes Junior Achievement of Southeast Texas

Annual Meeting - June 26, 2018 – Federal Reserve

Attendees

Board: Evelyn Angelle, Tracy Beam, Jody Black, Juliet Breeze, Cindy Coleman, Will Davie, Tom DeBesse, Ben Dismore, Greg Ebel, Greg Engel, Bob Franklin, Greg Garland, Robbie Jones, Luke Keller, Joe Kelly, John King, Holli Ladhani, Joel Lambert, John Lionberger, Jeff Miers, Niloufar Molavi, Curtis Null, Kathy Pritchard, Jamie Reynoso, Laurie Salmon, Mark Saurin, Nigel Searle, Julie Sheppard, David Skinner, Brian Smith, Melissa Sowell, Jon Stokes, David Stover, Bill Swanstrom, Howard Thill, Laura Tibodeau, Jim Vick, Carol Warley, Deanna Young

Staff: Jennifer Anderson, Lisa Anderson, Courtney Azuike, Bethany Brice, Joe Burke, Ne’Cole Caldwell, Kacy Cameron, Stephanie Canahuati, Monica Caudillo, Suma Chavez, Rebecca Coulter, Tania Daniel, Monica Espinosa, Rick Franke, Kim Green, Nikki Hanley, De Jones, Judy Knocke, Patty Lalonde, Wayne Lutz, Marlene Meyers, Becky Neeley, Jordan Parker, Ryan Purser, Jason Richards, Cathya Rivera, Tiffany Simple, Quinton Smith, Karen St. Fort, Aliyah Thomas, Liisa Williams, Rachael Winebrenner

Chairman Greg Garland called the 73rd Annual Meeting for Junior Achievement of Southeast Texas to order at 6:36 p.m. He thanked the Federal Reserve Bank and board member Daron Peschel (who was unable to join us) for hosting the meeting.

Greg noted that each board member was sent, via email, a comprehensive set of documents containing pre-read materials. As we present these various items for vote please feel free to ask questions or provide recommendations for amendment. Each item presented for full ratification has been reviewed and approved previously by the executive committee.

Minutes from the April 11th board meeting were approved.

Greg Engel presented the May financials. Revenue has lagged since Harvey and despite management of expenses; JA closes May and projects to close year-end with a deficit. Interest and dividend on the Board designated fund have underperformed in the New Year.

The proposed budget is presented following extensive review and approval from the executive committee. This process also included a specific compensation review using JA USA’s Equicomp system. Given the organization’s desires to continue with a program growth strategy and facing the realities of minimal or no revenue growth, what has been proposed to you is a deficit budget. As with this year, reserves are anticipated to be required to meet proposed objectives.

There being no questions on the financials or proposed budget, the Chairman called for a motion to approve them both; motion carried.

Greg Ebel presented the Nominations Report. A list of all board nominees, 3 year renewals and officers are in tonight’s packets. There are seven new board nominees (bios in packets): Darrell Brown - Executive Vice President-President, Energy Services - NALCO Champion; Amerino Gatti – CEO, Team Industrial Services; Justin Hotard - Vice President & General Manager Volume Global Business Unit,

Hybrid IT Group - Hewlett Packard Enterprise; Joel Lambert - Senior Vice President and General Counsel - Crestwood Equity Partners; Curtis Null - Superintendent – Conroe ISD (replacing Don Stockton); Lees Rodionov - President - North America Land - Schlumberger (had a previous stint on the JA Board and Executive Committee/replacing Jeff Boettiger); Laura Tibodeau - Chief Information Officer-Information Technology- American Styrenics.

This is the year we elect the secretary and treasurer. Bill Swanstrom has agreed to renew his post as Secretary and Greg Engel as well has agreed to continue on as Treasurer.

The nominations committee with executive committee endorsement proposes the following nominees for the executive committee: New members: Juliet Breeze – CEO - Next Level Urgent Care; Elizabeth Killinger - President, Reliant, an NRG Company and EVP, NRG - Reliant, an NRG Company; Mark Lashier - President & CEO - Chevron Phillips Chemical Company LP; Lees Rodionov - President - North America Land - Schlumberger; Nigel Searle - Senior Vice President, Lubricants - ExxonMobil Corporation; Deanna Young - Managing Director - Opportune LLP. Renewing members: Evelyn Angelle; Duke Austin - President, CEO and COO - Quanta Services, Inc.; Greg Ebel – Chairman of the Board - Enbridge, Inc.; Joe Kelly – Principal Consulting – Deloitte; Niloufar Molavi - Vice Chair and US Energy and Mining Leader and Market Managing Partner –PwC; Bob Patel – CEO - LyondellBasell Industries; Scott Prochazka - CEO - CenterPoint Energy; Mark Simmons - National Director of Business Banking - Comerica Bank; Jerry Simon – Managing Director - Northern Trust; Brian Smith - VP, Structured Finance, Western Hemisphere CFO - BP America; Frank Steininger – SVP, CFO and Treasurer- Civeo; Dave Stover- CEO - Noble Energy; Greg Vesey – Managing Director, CEO - LNG Limited; Carol Warley – Partner - RSM US LLP.

A motion was made to elect the named nominees, three year renewals, executive committee and officers as presented; motion carried.

For the record board resignations were: Jeff Boettiger – Schlumberger, Ernie Leyendecker – Anadarko, Lynne Lachenmyer – ExxonMobil, Jim Gallogly – Emeritus, Juan Cuesta – GE, Wes Stockton – CB&I, Mike Fields – U of H Downtown. Non renewals: Katie Mehnert – Pink Petro and Jamie Reynoso – Memorial Hermann.

Greg Garland presented a proposed procedural change to the board. That change is the implementation of strategy sessions in lieu of the late fall board meeting. JA will host 10 identical meetings in November and December, and each member will be required to attend one. These sessions will involve the full board in strategic planning, enable participants to engage in ways that align with their passions and areas of expertise. Results of these meetings will enable management to engage and gain perspective from the membership on key considerations. The dates and times will be sent to the board and their EA's tomorrow.

To make this change, we must propose a change in the by-laws enabling JA to hold fewer than four meetings a year. The proposed change is in tonight's packet. Greg called for a motion to amend the bylaws to make the minimum number of board meetings required annually to be set at two; motion carried.

Joe Burke and Jennifer Anderson presented the board awards. Joe asked the Free Enterprise Society Members to stand and be recognized. Jennifer presented the JA National Leadership Awards. There are three levels of national board recognition in JA: bronze, silver and gold. These are progressive in nature and acknowledge leadership contributions, which have local and national implications. JA of Southeast Texas have six recipients this year. Bronze - Duke Austin, Quanta Services; Juliet Breeze, Next Level Urgent Care and Joe Cunningham, RBC Capital Markets. Silver - Bill Easter and Joe Kelly, Deloitte. Evelyn Angelle was recognized as recipient of the Gold Leadership Award in New York this past spring.

Joe presented the campaign awards. Expanding the base of support is critical to our success moving forward. He recognized the exemplary efforts of the following board members who raised >\$25,000 in support: Duke Austin, Pete DeLonchamps, Holli Ladhani, Kathy Pritchard, Scott Prochazka and Mark Simmons.

Joe thanked the board members for all the leadership, guidance, outreach, and support. The willingness of board members to expand the base of support is critical to being able to meet our organizational aspirations moving into the future.

Jennifer presented the Club Level Awards. Club levels are awarded to each member in recognition of their many contributions in terms of volunteers and financial support. She recognized Greg Garland, P66 for the highest level of revenue and Scott Prochazka, CenterPoint Energy for volunteers. Jennifer asked everyone to pick up their award on their way out tonight and thanked them for all they do to support the JA mission and the young people we serve.

Rick Franke recognized the scholarship students. Joining us tonight are approximately 19 scholarship winners and their families. This year JA will award over \$124,000 in cash grants and local college scholarships to deserving seniors. Rick asked the scholarship winners to stand and be recognized. There is a list of companies as well as individuals in tonight's packets who are responsible for making these scholarships possible.

Rick introduce student speaker Melina Maldonado. She attends Sherman Elementary School and will be a 5th grader this year. She participated in JA programs during 1st – 3rd grades. The Federal Reserve usually teaches her class, but because of Harvey, they were not able to teacher this last fall. She is joined by her mother and father, Guadalupe and Adrian. Her mom is a 5th grade teacher and also spoke about how great JA is.

Rick gave his last President's Report. He spoke about how proud he is of the staff even during a deficit. He is excited he has a great leader taking his place and lots of great new board members.

The Alief school board unanimously approved the new expansion of JA BizTown. There will be approximately 3,000 students to go through it the first year. It will be a mobile unit and Alief is also talking about doing a Finance Park.

Rick thanked everyone for allowing him to lead this great organization. Together we have greatly improved the lives of millions of children, enriched the lives of our adult volunteers and assisted education to inspire and prepare their students to live successful and productive lives.

Greg Garland gave his Chairman's Report. Rick, Joe and Jennifer have each expressed to him their disappointment in ending this school year with only 280,000 or so students and 5.5 million dollars raised. Both measures represent a drop of about 10% over prior year. Money, volunteers and time independently and collectively challenged JA of Southeast Texas's ability to grow and maintain surplus operating revenues. Their disappointment exists because they believe wholeheartedly that if you are going to teach good business principles then you better practice them. Greg agreed that for many of us, it is because we are consistently operating by these principles; it is why you are on this board. This past year P66 and their board committed to increase their support of JA by 75%. Why? Because JA can prove its impact and effectiveness, because it has sustained a 70+ year legacy of professionalism and good business practices. Greg asked in the year ahead that you please evaluate your current support of JA and take action specifically to increase your giving by 10% or more. Make it a goal to be represented in the top tier of givers. It is a strong statement that you, your company and your employees are actively committed to education.

Greg made a motion to recognize Rick Franke for exemplary service with Junior Achievement; motion carried.

Greg thanked everyone for the opportunity to lead the board and looks forward to the year ahead. Greg reminded everyone to pick up their club level recognition plaque and thanked the spouses, guests and students for coming. He also reminded everyone to attend Rick's retirement dinner tomorrow at Hotel Za Za.

Meeting adjourned with a yearend video tribute at 7:20 p.m.

Recorded by: Richard W. Franke

Respectfully submitted: William Swanstrom, Secretary