

Minutes Junior Achievement of Southeast Texas

Annual Meeting - July 25, 2017 – P66

Attendees

Board: Tracy Beam, Tom Behanick, Jody Black, Juliet Breeze, Oscar Brown, Sue Burnett, Frank Cassulo, Jeff Davis, Tom DeBesse, Greg Ebel, Kathleen Eisbrenner, Bob Franklin, Jim Gallogly, Greg Garland, Robbie Jones, Joe Kelly, John King, Lynne Lachenmyer, Holli Ladhani, Mark Lashier, Ernie Leyendecker, John Lionberger, Michele McNichol, Katie Mehnert, Bob Patel, Kathy Pritchard, Julie Sheppard, Jerry Simon, David Skinner, Brian Smith, Melissa Sowell, Frank Steininger, David Stover, Bill Swanstrom, Greg Vesey, Harvey Vigneault, Carol Warley, David Winn

Staff: Jennifer Anderson, Lisa Anderson, Courtney Azuike, Joe Burke, Kacy Cameron, Monica Caudillo, Terry Cooper, Rebecca Coulter, Tania Daniel, Rick Franke, Ne’Cole Gibson, Megan Good, Nikki Hanley, Judy Knocke, Patty Lalonde, Marlene Meyers, Bianca Moreno, India Murrell, Becky Neeley, Monica Noll, Jordan Parker, Ryan Purser, Tiffany Simple, Aliyah Thomas, Liisa Williams, Rachael Winebrenner, Haley Zalocha

Our host Greg Garland welcomed everyone to P66 and gave a safety briefing.

Chairman Greg Ebel called the 72nd Annual Meeting for Junior Achievement of Southeast Texas to order at 6:40 p.m. He thanked P66 and Greg Garland 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 January 12th board meeting were approved.

In Treasurer Greg Engel’s absence, Lisa Anderson presented the June financials. The June financials are subject to audit review. On a pure income and expense side JA closed the year with a surplus. Overall due to the positive performance of investments we closed with a positive balance sheet. JA did a great job once again of holding down expense. With the help of the new business development team and the generosity of many who answered Rick’s last minute appeal revenue was shy of budget, but certainly not as bad as it would have been without the help. Reserve funds were released for scholarships in the amount of \$94,000 as well as funds for yearend performance incentive comp. Lisa asked if there were any questions or comments. There being none the Chairman called for a motion to approve the June financials; motion carried.

Regarding the proposed budget, the executive committee has thoroughly vetted and approved the compensation committee’s recommendations and the proposed budget. In putting this budget together, we challenged Rick to be very conservative on the revenue and expense side. In doing so JA has reorganized and eliminated two administrative positions. Lisa asked if there were any questions or comments. There being none the Chairman called for a motion to approve the 2017-18 budget; motion carried.

Jim Gallogly presented the Nominations Report. Bi-annually at this meeting, we elect a new chairman of the board. Annually, we elect executive committee members; propose renewal of members completing their three year terms; extend new members completing their probationary one-year term and add new members. Lists of all nominees for these positions as well as resignations were included in the pre-read materials and are in tonight's packet.

Jim proposed for election the next Chairman and slate of Vice Chairs. Chairman, Mr. Greg Garland – CEO of P66, 1st Vice Chair, Mr. David Stover - CEO of Noble Energy, and 2nd Vice Chair, Scott Prochazka – President and CEO of CenterPoint energy. A motion was made to approve the slate of officers; motion carried

The nominations committee with the executive committee endorsement proposes the following nominees for the executive committee: Ms. Niloufar Molavi – Partner, PwC and Mr. Ernie Leyendecker – COO, Anadarko. Jim called for a motion to elect the named nominees to the executive committee. A motion was made and carried. Jim also called for a motion to reelect all board members eligible for renewed terms listed in the member packets. A motion was made and carried.

The three new board nominees are (bios in packets): Ms. Juliet Breeze – CEO, Next Level Urgent Care; Mr. Dave Tredinnick – President, Emerson Electric and Mr. Mark Lashier – CEO, Chevron Phillips Chemical. A motion was made to elect the new members; motion carried.

Board Resignations were: Pete Cella, Chevron Phillips Chemical; Rafael Jaramillo, Emerson; Archie Deskus, Baker GE; Brad Irick, Tokio Marine; Melissa Johnson, Capital One Bank; Mark Maki, Enbridge and Richard Little, EP Energy.

Rick Franke presented his President's Report. He noted the new board handbook. We are giving the option of an electronic version or hard copy. Rick highlighted the new meeting calendar.

Rick called for a motion to accept the new Strategic Plan with a revised number of students for next year – 330,000. Motion carried. Rick went over the program and funding reports, and recognized each department for their hard work. We are ending the year with 328,964 students on a 315,000 goal.

Rick shared the dates for next year's JA Inspire event: Spring Branch (Nov. 15-16), George R. Brown (Dec. 13-14), Lee College (tentative Dec. 5-7) and the Berry Center (Feb. 5-7). JA needs 100 sponsor companies to be represented at the George R. Brown. Rick discussed the highly enhanced career guide and better signage for the career clusters.

Rick discussed JA BizTown and Finance Park. H.D. Chambers, the Superintendent of Alief ISD is in attendance tonight. The school district is going to be building a JA BizTown, but we don't know a lot of information about that yet. Rick also has a meeting with HISD coming up in September.

JA will have its' first race fundraiser, RBC Race for the Kids. It will be setup similar to a Bowl-A-Thon. There are sponsorship opportunities in tonight's packets.

Rick also recognized Yolanda Gonzales although she couldn't attend tonight. She worked for JA for 27 years and he wanted to pay tribute to her by having everyone give her a round of applause.

Joe Burke and Jennifer Anderson presented the board recognition awards – those in attendance came forward to receive the award and have their picture taken. First, Joe recognized the Free Enterprise Society Members. These are individuals who personally contributed \$10,000 or more during the 2016/2017 fiscal year. They stood to be recognized.

JA National Board Leadership Awards were presented to: Bronze – Julie Sheppard, DocuSign and Pete DeLongchamps, Group 1 Automotive. Silver – Scott Prochazka, CenterPoint.

Campaign Awards were given for exemplary efforts to: Top Corporate Campaign - Mark Simmons, with Comerica Bank. Top Personal Campaign - Wes Stockton with CB&I.

Each year JA recognizes two outstanding teachers. Teachers play an important role daily in the lives of their students but also are critical to the overall success and implementation of JA. We have thousands of teachers working with us each year and these are our best. Kay Blanchard is an 8th grade teacher at La Porte Junior High School in La Porte Independent School District. Myrna DeAvila is a 4th grade teacher at Highlands Elementary School in Goose Creek Consolidated Independent School District.

Club levels are awarded to each member in recognition of their many contributions in terms of volunteers and financial support. Tonight we present the club level to the company with the largest overall financial impact: Ernie Leyendecker with Anadarko Petroleum. We also present the club level to the company and school system with the largest volunteer impact: Dr. Lance Hindt, Katy ISD and Scott Prochazka, CenterPoint Energy.

Joe asked that everyone please 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.

Greg Ebel recognized the scholarship recipients attending. This year JA will award over \$197,500 in cash grants and local college scholarships to deserving seniors. A list of companies and individuals responsible for these scholarships was included in the meeting materials. Greg had the scholarship winners that were able to attend stand and be recognized. He then introduced our student speaker, Anna Pham. Anna attends Spring Woods High School and will be a junior this year. She attended BizTown and participated in a Reverse Job Shadow with East West Bank. Her mother, Janie Pham, is also in attendance. Anna said that she's been in JA for two years. She wants to go to school for an MBA, and wants a business management career. She realized this when she visited BizTown and was the CEO of an athletic store. She joined Company Program because it had something to do with her career path.

Greg presented Anna with a thank you gift, and gave his Chairman's Report. Greg's Chairmanship began with 306,000 Students – and ended this year with nearly 329,000 students. That is 7% growth in one of the most challenging economic periods we have faced in decades. JA achieved this despite significant revenue challenges and a decline in corporate volunteers. 2014 – 2015 fiscal ended with revenue of \$6.6M and expenses of \$5.9M. The budget we have just approved is \$ 6.1M - 4.5% less than 2015 in order to reach 8% more students. The leadership of JA has done an amazing job at

leveraging efficiencies. However, it is at a point where Rick, his team and he have increased concerns regarding the effect on quality and sustainability.

Demand warrants growth and we as a board have constantly expected it. If it is to continue then we have a collective responsibility to help raise the money or pay for it. Greg thanked everyone for the opportunity to lead the board and looks forward to the year ahead and Mr. Garland taking the helm.

Rick came forward with Greg Garland and presented Greg Ebel with a Chairman's gift.

Greg Garland thanked Greg Ebel for a job well done and for continuing the legacy of making these shoes harder and harder to fill. Greg Garland gave his remarks. He takes this leadership role very seriously and loves what JA does. He asked everyone to please set a personal goal to give and get more money for JA, and to push the volunteer envelope internally. Consider what your company's value proposition is and fight for it. He thanked everyone for coming as he was happy to host.

Meeting adjourned with a yearend video tribute at 7:40 p.m.

Recorded by: Richard W. Franke

Respectfully submitted: William Swanstrom, Secretary