



Oregon Future Business Leaders of America Foundation, Inc. Board of Trustees Meeting

October 16, 2010, 9:30 a.m.
Concordia University – Room GRW 108

Call to Order:

The meeting was called to order by Board of Trustees Chair Bob Baggitt at 9:07 a.m.

Roll Call:

Roll Call indicated that the following members of the Board of Trustees were present:

Bob Baggitt, Board Chair
Ron Dodge, State Chair
Anthony Bailey, Vice Chair
Lori Pankratz, Secretary/Treasurer
Dale Fisher, Adviser Representative
Mallory Bailey, Past State President
Taylor Sarman, State President
Rebekah Wong
Dave Albrecht

Roll Call indicated that the following staff members were present:

Mike Oechsner, State Adviser

The Board of Trustees did individual introductions welcoming our new Board Member, Rebekah Wong, to the Board of Trustees. Rebekah was a State VP in 1989-90 and State President in 1990-91. She has a 15-year background in consumer finance.

Approval of Minutes:

Decision:

Taylor Sarman moved and it was seconded to approve the August 14 minutes as presented.
Motion Carried.

Notation of Electronic Approval:

It was noted for the minutes that the following items were approved by electronic vote of the Board of Trustees since the prior meeting:

Dave Albrecht's term on the Board of Trustees was renewed for an additional two years.

Rebekah Wong was approved as a new Board Member to serve a two year term.



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Adviser Representative:

Decision:

Lori Pankratz moved and it was seconded to approve Dale Fisher as the 2010-11 Adviser Representative on the Board of Trustees. Motion Carried.

Policy Affirmations:

Discussion:

Mike Oechsner shared that the Board of Trustees approved the Conflict of Interest and Sexual Harrassment Policies at the August Meeting. Following these policies, all Board Members needed to sign their affirmation each year. Forms were distributed, signed, and returned. The signed forms are to be kept in the Financial Services Office in Jacksonville, Oregon.

Document Storage:

Discussion:

Dave Albrecht requested clarity on where our documents are stored. Lori shared that all current documents are in the Financial Services Office. A number of the historical documents are in Lori's possession. It was clarified that all documents should be transitioned to the Financial Services Office.

Direction:

Lori will work to organize historical documents for transfer to the Financial Services Office.

Investment Strategy Update:

Discussion:

Anthony Bailey shared that the committee has done a great deal of research to get us to the point where we can invest and expect a larger return than our current .5%.

The committee had two options that they recommended. They are both equivalent to a Russell 2,000 fund – limited to companies with assets under half a billion dollars. As companies grow, they are taken out of the index and are replaced by others. There is a 10-year track record. The 2008 recession did have a significant impact.

The second suggestion was an American Investors fund. The challenge with this fund is that it requires a 5.5% load. It had a slightly better than doubling result over the course of 10 years. Anthony shared that he isn't a fan of the load concept, but this appears to be a very successful long-term fund.



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The committee shared two additional Fidelity Funds that they looked at – both of which had little to no returns over the last ten years. Anthony shared a Wall Street Journal article comparing the 1937 stock market trends to those of today. The outlook is challenging overall.

The Board reviewed our current cash-flow needs with our approved standard practice. We should maintain \$10-\$25,000 in checking and \$25-\$40,000 in savings. This requires us to be \$65,000 liquid at all times. Our current cash-flow is at what is anticipated to be its lowest point of the year.

Ron Dodge suggested that we ladder our investments – some at high risk, some at mid-risk, and some at low risk. Our ultimate goal needs to be having 2-3 families of funds.

GLI funds were discussed as an option and ruled out because we're not looking at any individual's life expectancy.

The American Fund would require a broker, the Vanguard would not. Because of our non-profit status, the hope is that the selected broker would be willing/able to reduce or limit the fees.

Bonds were discussed as an option. Because of the current economic status, they were ruled out as a strategy.

The Board discussed the importance of reviewing our strategy and selected funds on an annual basis.

The Board discussed the ultimate purpose of the "Foundation Savings" account. This account was built to be our "rainy day" fund as well as our endowment. The goal is that it will produce future income, and that it is available should we have an important need for it. The Board felt it is fair to say that we're in a position to make a 3-year investment at this time.

Dave asked for clarity about what the financial impact on the association would be if we were to immediately cancel all future State Business Leadership Conference Contracts – just to clarify what our current financial obligations are. To cancel 2011 would currently cost approximately \$80,000 with 2012 and 2013 respectively costing \$40,000 and \$20,000.

Rebekah Wong asked for clarity on our Profit and Loss Statement and how the Foundation Savings Account impacts it. Mike shared that as one corporation, we have one Profit and Loss – all revenues and expenses, including in-kind contributions and interest revenue for the dedicated Foundation Account – are reflected in our Profit and Loss Statement. It is, however,



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the Board's policy that no funds may be withdrawn or moved from the Foundation Savings Account without Board of Trustees Authorization.

Decision:

Dave moved and it was seconded that we initiate the process of moving \$40,000 from the Foundation Savings Account into longer term investments. Motion Carried.

Lori moved and it was seconded that we invest \$20,000 into the Vanguard Small Cap Growth Index Investment Fund at a rate of \$5,000 per month for four months to be completed as soon as possible by the Financial Manager. Motion Carried.

Direction:

The Financial Manager will be responsible for starting the process of investments and selecting an appropriate broker.

The Investment Committee will continue its research and make a recommendation for investment of the other \$20,000 at the next regular meeting.

State Officer Update:

Discussion:

Taylor shared that the Chapter Leadership Tour is complete and was an incredibly successful event. He was excited to lead the workshop sharing about the Chapter of the Year Program as well as the details on Outstanding Chapter and Government Promotion. Over 500 members participated this year – our largest turn out ever.

The Officers spoke about the Foundation at each CLT stop and held a Miracle Minute fundraising effort. The result was over \$200 in Foundation Contributions over the course of CLT.

Taylor shared that CJ Severson was appointed to the Western Region Board and will serve as Secretary. Gabrielle Pendleton was appointed to the National President's Assistants Council and serves as the Western Region Representative.

The team is actively preparing for the Oregon Leadership Institute. Scripts are ready, and the team is excited for the Halloween Dance.

The Service in Sync day has been confirmed and solidified. Final promotional materials are in the development phases. Each region is doing something slightly different, and we're looking forward to a very successful event.



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Lori asked for clarity on the Service in Sync efforts – are we working at food banks, or donating food? Taylor shared that it varies by region. In some cases, we’re bringing food, in others we’re doing volunteer work at the food banks.

Ron asked what the vision of the fundraising efforts for the Foundation during CLT was. Taylor shared that it was intended to support the Foundation Efforts, including scholarships.

Becky asked why we fund CLT at a deficit. Lori shared that the idea is to touch as many students as possible by keeping the cost low. It serves as a member recruitment tool.

Board of Advisers Update:

Discussion:

Dale Fisher shared that the Board of Advisers Meeting was quick and very successful. Highlights of the accomplishments include:

- We have clearly identified the process of election and how that process will function for representatives on the Board of Advisers. We now have clear terms, clear positions, clear rotation schedule, and clear functions of each Board Member. The Region Representative is responsible for communicating with their region on behalf of the Board of Advisers, while the At Large Representatives are responsible for representing Advisers as a whole.
- The Board of Advisers talked about PBL and our Virtual Chapter. The Board worked on developing a fact sheet and a process to help promote what PBL is and how we’re looking to grow it in Oregon.
- Advisers were surveyed about how/when/where we should offer an Adviser Academy in the future. The decision was that we’ll connect it with the OBEA Conference next year – either immediately before, or immediately after. Our first Adviser Academy will be in the fall of 2011.
- The Oregon Competitive Event Guidelines were reviewed and approved for the year. The adjustment was made that only the final round of competition is open to observation.
- We will no longer require non-FBLA teachers to proctor online tests or school site tests.
- Scrap Books will no longer be sent in advance. They will be hand carried to the SBLC and judged on site.
- The Board of Advisers will proof the school site tests and answer keys to improve our quality of materials for competition.



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Becky asked how we can use the President's Council to get the competition guidelines in front of more of our competitors. Taylor shared that the State Officer Team will make this a specific subject and lesson on a Presidents' Council Call.

Lori asked for clarity of how many FBLA Advisers are OBEA Members. Ron shared that the number is fairly low, but holding our Academy in conjunction with this conference should have some great mutual benefits to both organizations.

Oregon CTSO Update:

Chris Rankin was not with us for the meeting.

Oregon Department of Education Update:

Discussion:

Ron shared an answer to a question from Becky – FBLA does not receive any state or federal dollars for operations. What we do have is the Student Leadership Development Center that is funded, but it's funding is now below subsistence level. Oregon FBLA has stepped up to the plate and is funding its own operations. This isn't happening with the other CTSO's, and they're starting to flounder. In the case of some of the other organizations, if Oregon CTSO goes away, the organization could go away as well.

This money comes from a Legislative Grant, goes through the Oregon Department of Education, and goes to Willamette ESD. Willamette ESD charges a 10% administrative fee. They've then hired a Director and Program Coordinators.

As a result of the Oregon Governor's Budget Cuts, Oregon CTSO has eliminated a position. Because of more recent cuts, they are going to have to eventually eliminate another position. This hasn't happened yet, but it will happen.

For the Student Leadership Development Center as a whole, the model FBLA has taken on is going to be looked at very strongly as a model for the remaining CTSO's. As of yesterday, the Oregon Department of Education hired a consultant that is going to research the needs, issues, desires, and challenges. He wants all of the players to have a seat at the table for this process. His charge is to determine "what do the CTSO's need to have in order to exist" and "how can we best work towards achieving this with the funding challenges?"

The budget for the center was \$970,000 in Ron's initial years with the Department of Education. The following year they asked for \$1.2 million and received \$1.1 million. It has slid



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down to \$900,000, then to \$700,000 and is now at \$474,000 per year. It will continue to diminish with further budget cuts.

We have no anticipation of the legislature back-filling or re-filling this coffer. Somehow, we need to offer the same services and options to the students, but have to do so in a sustainable way such as FBLA has done.

Ron shared that about eight years ago, they tried to build a foundation for the entire Center as a whole with the vision being to prepare for the protection of all CTSO's should budget cuts happen. The Oregon Department of Education did not finalize the documents, and the meeting never took place.

The ultimate goal for all CTSO's is that we offer a robust opportunity for students. Some support can come from grant money directly to the CTSO's, rather than passing through an ESD. He shared that the ESD may not even be interested in serving as a fiscal agent in the next bi-ennium.

The fiscal agent will either need to be a government entity or a non-profit. Could Oregon FBLA as a non-profit be the fiscal agent for all? Potentially, but that is not the role we'd want to play.

Dave asked for specific clarity about what FBLA is getting from the funding to OCTSO. Ultimately, we do not receive any direct operational support at this time.

Ron shared that FFA is in statute at the Oregon Department of Education. They're the only CTSO with that benefit. The current funding is tied to Student Leadership and has been earmarked for support of CTSO's.

Anthony asked if there would be a way to eliminate the current model, keep the current funds, and direct them right to the organizations. Ron shared that this could be conceivable, but it would require us working with a Legislator and developing Legislation to make that happen.

Ultimately, the consultant is going to look at what the Oregon Department of Education's needs are, what the individual organization needs are, and how we can best make this work.

We will need to have a representative from the Board, in addition to Mike as staff to participate in the facilitator's conversations. Lori suggested that it be Anthony. Ron will make the final determination.



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Management Update:

Discussion:

Mike reviewed the Management Dashboard, including current financial status and operational needs and successes.

Chapter Leadership Tour showed growth in participation. It wasn't quite what we anticipated with the addition of a stop, but it was very successful.

Oregon Leadership Institute is currently pacing for less than budgeted attendance. Dave asked Taylor for his thoughts on why this might be. Taylor shared that CLT is of great value at a low price. The students like an overnight event, but financial challenges are proving to be larger and larger.

The organization is operating strongly and successfully.

Financial Update:

Discussion:

Lori shared the current financial statements. They indicated that our checking account has \$2,563; Savings has \$72,185; and the Foundation Savings Account has \$40,357. Accounts Receivable of \$11,706. Mike and Lori are still working to clean up some older Accounts Receivable elements.

The Profit and Loss Statement reflected \$775 in income and \$18,794 in expenses. As is normal at this time of the year, we've paid partially for coaching, financial management, and association management, and our revenue streams (CLT, OLI, Dues) have not started for the year.

2011 State Business Leadership Conference Judge Recruitment:

Discussion:

The Board requested that we be sure that all correspondence comes from the P. O. Box in Jacksonville. It also would be beneficial if we asked our judges for more specific information – what do they do and where do they work? The ultimate goal will be to use them as a partnership resource in the future.

Lori shared that we currently don't have an agreement in place for 2011 Judge Recruitment.

Decision:



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Ron moved and it was seconded to continue the Judge Recruitment Service with TRI Leadership Resources for \$1,750. Motion Carried.

Bank Account Signers:

Discussion:

Lori shared that our policy is that paper checks require two signatures and that our signing authorities be officers of the board. Currently, we only have two signers on the bank accounts – they are Lori and Angela Gabel. If we are to make changes to the Bank Account Signers, we need minutes to reflect that change.

Mike clarified that nobody on the management team is a signer on any of the bank accounts.

The Board discussed the benefit of having signers be in the same geographic area, rather than the officers.

Decision:

Anthony Bailey moved and it was seconded that our Bank Account Signers be changed to Lori Pankratz, Dave Albrecht, and Rebekah Wong on all Oregon FBLA Accounts and that the Financial Manager initiate this process. Motion Carried.

Annual Giving:

Discussion:

Mike shared that per Board request, we have developed generic Oregon FBLA Business Cards directing potential partners to our website. He will mail a supply to each Board Member.

Dave Albrecht posed the question of what TRI would request in terms of compensation to recruit sponsors and business partners. Mike will work with the team to determine an answer and report back at the January Meeting.

Lori asked that we send electronic versions of our newsletter to all judges throughout the year.

Dave shared that the SCORE chapter at Concordia will be a good resource for future judges.

Bob shared that he has a contact – Bob Tompkin – who would be interested in partnering with a local school, but not the state association.

Dale asked that we do an email blast to our chapters to see who their business partners are and recognize them on our website to add credibility when recruiting potential sponsors.



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Board of Trustees Professional Division Membership:

Discussion:

Mike reminded all Board Members that our Bylaws require all members of the Board of Trustees to be members of the Professional Division.

The question was posed about whether or not we should require Advisers to be Professional Members in order to receive their complimentary SBLC registration. Dale will review this concept with the Board of Advisers and report back in January.

Committee Appointments:

Discussion:

The Board has discussed developing standing committees at several past meetings. We have seen success appointing committees for specific needs, the consensus was to continue with that practice rather than creating ongoing committees.

Chapter Grant Process:

Discussion:

Mike shared the updated Chapter Grant Request form based on Board Discussions in August.

Decision:

Lori moved and it was seconded to approve the new chapter grant process and form as presented. Motion Carried.

Adjournment:

The meeting was adjourned at 1:46 p.m.

Next Meeting:

The next meeting will be on January 8, 2011, at 9 a.m. at Concordia University.