

Frequently Asked Questions & Answers

**Why are you closing the Service Center? How will we get uniforms, books, etc.?** The existing Service Center and store are anticipated to remain open through 2023, if not even later. Volunteers and families will still need service provided through a service center and store. Many different locations and models are being evaluated to determine the best option to continue providing services to families and leader in the future.

**Why can't you continue operating two camps and just invite other Councils to camp there.** The bankruptcy reorganization of BSA National and its impact on Minsi Trails Council is significant financially and otherwise. Minsi Trails Council cannot afford to operate multiple camp properties going forward. Our council has continued to struggle filling summer camps amidst declining local and national membership enrollment. Our summer camping attendance has decreased over the past ten years from seven weeks of summer camp at three camps (Akelaland, Minsi and Settlers) to barely five partially filled weeks of camp across all three camps. Local membership has declined from over 10,000 youth in late 2000's to just over 4,000 youth in December of 2021. Fundraising has become even more challenging and keeping up with the required capital improvements at all properties has been impossible.

**Why are you borrowing up to \$4.5million if the settlement requirement is only \$2.6million?** Minsi Trails Council will be borrowing what it needs to make its required \$2.6 contribution under the BSA Plan plus what it needs to continue its Scouting mission following the effective date of BSA's Plan. The Executive Board has approved a borrowing not to exceed \$4.5 million, which will cover and repay Minsi Trails Council's existing indebtedness and an EIDL loan borrowed during the pandemic. It is expected that the new borrowing will range between \$4 million and \$4.5 million.

**How many scouts were involved in the sexual abuse that resulted in the \$2.6Billion settlement?** During the BSA Chapter 11 case, over 82,000 non-duplicative sexual abuse claims were filed against BSA National. Most all of those claims implicated local councils nationwide.

**How many Minsi Trails scouts were a part of the settlement of \$2.6million? Is that how the number was derived?** Minsi Trails Council has been implicated in over 130 of the historical abuse claims filed in the BSA National chapter 11 case. Most of these claims allege abuse that allegedly occurred decades ago. Under the terms of BSA's proposed chapter 11 plan, all claims and liabilities related to historical Scouting-related abuse will be channeled to a \$2.7 billion trust for the benefit of abuse survivors. Upon consummation of the BSA Plan, Minsi Trails Council will contribute \$2.6 million and the Council's historical liability insurance coverage rights into the Abuse Survivors Trust, in order to settle and resolve all historical Scouting-related sexual abuse claims and liabilities. Minsi Trails Council's contribution will be just part of over \$500 million in aggregate financial contributions to be made by all local councils.

The financial contribution amounts of each local council (including Minsi Trails Council) was the product of complex bankruptcy negotiations - - which took into account the financial condition of particular local councils and the numbers of abuse claims implicating each of them.

**What have the membership numbers been for the last five years? Has membership rebounded from Covid-19 years?**

Membership was at 9000 Cub Scouts and Scouts BSA at year end in 2017. As of December 31, 2021, Cub Scout and Scouts BSA membership was just over 4,500.

**What are you doing to boost membership?** A comprehensive plan is being put forth that was developed from the Minsi Trails Council Membership Committee that secures a dedicated District Membership Chair in each District, a Unit Recruitment Champion in each unit, successful management of unit BeAscout.org online locator pins, development of a Full Year - Unit Program Calendar, free Den Leader guides for each unit to recruit Den Leaders, and adoption of our new Core Scouts program targeting underserved youth in Allentown, Bethlehem, and Easton with key scouting values delivered in a 8 week program experience.

**Why was the Camp Minsi property selected over the Trexler Scout Reservation Property?**

Moving forward we will continue operations at Camp Minsi as the primary camping facility of Minsi Trails Council. Camp Minsi has a beautiful four-hundred-acre lake, easy to travel to, and located just off major highway corridors in the northeast. All major capital fundraising and personnel will soon be organized to benefit one camp instead of three camps as we begin to create what the new camping experience in Minsi Trails will look like into the future. Camp Minsi will host not only Scouts BSA youth but, at a date to be determined, begin to camp Cub Scouts and families for overnight camp as well.

**Will MTC be able to operate profitably after these actions are taken?**

Excluding the pandemic year of 2020, Minsi Trails council has over twenty consecutive years of balanced operating budgets. Difficult decisions have been made regarding district and staff alignment the past two years to help better align resources to ensure annual operating funds are appropriate for future years. Minsi Trails will continue to count on the dedicated support of families in the Family FOS campaign, popcorn sales and attending Camp Minsi summer camp for future long term financial viability.

**What other options did you look at before arriving at this decision?**

The Executive Board and several select unit leaders/Scouters met since this past August in work sessions. The purpose of the work sessions are as follows:

- ☐ Provide data to participants to better understand historic, current, and future membership trends.
- ☐ Provide data to participants to understand historic, current, and future finance/fundraising trends.
- ☐ Think about Scouting in eastern/northeastern PA in the future. What might it look like in 2030?
- ☐ Determine best option/options for a comprehensive debt reduction package of up to \$4,500,000.

As a result of these work sessions, sixteen different scenarios were created through the input of participants. The goal for each scenario is to eliminate or greatly reduce the estimated \$4,500,000 debt package. The sixteen scenarios are:

1. Start fundraising campaign to rename major council assets (Office, Camp Minsi, TSR).
2. General fundraising campaign to raise proceeds to pay off debt, fund victims trust or repay endowment.
3. Take no action. Secure loan and fund entire debt package from operating proceeds.

4. Use unrestricted endowment fund for full or partial debt repayment or victims trust payment.
5. Charge all adults and youth a program fee starting in 2023. Estimated fee would be \$80 per person.
6. Increase membership recruitment so that net camping, popcorn, and family FOS proceeds cover annual debt requirement.
7. Sell Service Center, downsize and relocate more central to membership. Pay entire debt package and net proceeds into endowment fund.
8. Sell Service Center, purchase new (smaller) & TSR. Pay entire debt package and net proceeds into endowment fund.
9. Sell Service Center, purchase new (smaller) & Camp Minsi. Pay entire debt package and net proceeds into endowment fund.
10. Sell Camp Minsi. Pay entire debt package and net proceeds into endowment fund.
11. Sell parcels of Camp Minsi. Pay debt package and net proceeds into endowment fund.
12. Sell TSR. Pay entire debt package and net proceeds into endowment fund.
13. Sell parcels of TSR. Pay debt package and net proceeds into endowment fund.
14. Sell Camp Minsi, Service Center and TSR. Move new Service Center more central to membership. Net proceeds into endowment.
15. Identify/establish land use agreements to produce cash (solar, carbon rights, easements, etc.).
16. Identify strategic partnerships with other organizations.

After several months of deliberation through these work sessions, attendees selected the top four scenarios they feel would provide the Council with the best options to eliminate the \$4,500,000 debt package. Scenarios recommended to move forward were: #1-Fundraising campaign to rename major Council assets, #5-Charge all adults and youth a program fee starting in 2023 (estimated fee \$80/person), #8-Sell Service Center (purchase new smaller office) and TSR; and #9-Sell Service Center (purchase new smaller office) and Camp Minsi.

The final four scenarios were reviewed in greater detail during our most recent work session in January. The session's attendees agreed that Scenarios #1 and #5 were not viable options we wanted to pursue at this time. Fundraising during a bankruptcy process with the intent of using the funds to replenish the Council for a contribution to the victim's trust fund was not a very appealing endeavor. Attendees also felt assessing our membership a large annual fee (while other expenses in Scouting continue to increase) was not a good choice in the present time as well. Scenarios #8 and #9 were then forwarded to the Executive Committee for further consideration, resulting in the decision we shared today.

**What is the debt repayment annual cost?** The anticipated annual debt repayment on a new loan of \$4,500,000 is over \$500,000. The annual repayment amount on the new loan is expected to be too much of a burden to fund from the annual operating budget on a long-term basis without compromising delivery of our mission. Our lender has tentatively agreed that Minsi Trails Council's repayment terms for the first two years following the new loan will be interest only payments. After the second year, we can revisit and adjust those terms as need be. Essentially, Minsi Trails Council will have the time it needs to consider and review all possible options for repaying its new loan indebtedness.

**Why don't you just raise fees to cover this?** It's our obligation to keep Scouting as affordable as possible despite national trends of increasing fees.

**How does the MTC share of the settlement look compared to other councils in our region?**

Each individual council nationwide was allocated its own financial contribution amount to be contributed into the Abuse Survivors Trust. All local council contribution amounts have been disclosed in the BSA Chapter 11 case, and we are aware that numerous councils are obligated to contribute amounts far exceeding the amount of Minsi Trails Council's \$2.6 contribution amount. Every local council across the country was allocated a contribution amount established using a uniform calculation tool applied fairly to all local councils nationwide. This tool considered various factors for each local council: unrestricted assets of a local council, total number of claims implicating the council, and the state laws and statute of limitations that might apply to such claims.

**What will happen to the staff of the camps that are being eliminated?**

Summer seasonal staff will be requested to work on Camp Minsi staff summers after 2023. We anticipate needing more staff since our number of weeks at Camp Minsi may increase starting summer of 2024.

**What will happen to the staff of the service center?**

The existing Service Center and store are anticipated to remain open through 2023, if not even later. Field Staff members and Office staff members will remain working remotely or in person as they are today.

**Will insurance cover any of this?**

Settling insurance companies will be contributing many hundreds of millions of dollars to the Abuse Victims Trust. Local Councils will be contributing their rights under liability insurance policies.

**When will these camp changes take effect?** Camping operations are still planned for this summer and summer of 2023. Off-season (non-summer) camping months and service center operations will continue uninterrupted for the foreseeable future until buyers have been identified. This is a change no one wants or appreciates, but it has become necessary to preserve Scouting in Minsi Trails for decades to come.

**Can Minsi Trails opt out of the National Settlement and just compensate its victims locally?**

Without a successful chapter 11 plan and the establishment and funding of the Victims Trust Fund, BSA National likely will be forced to liquidate, Scouting nationwide likely will cease, and abuse survivors will not receive compensation under the plan. In short, absent a successful chapter 11 plan which requires the Minsi Trails \$2.6 million contribution, the Boy Scout program will not continue into the future.