



April 4, 2017

New Birth of Freedom Council #544
1 Baden Powell Lane
Mechanicsburg, PA 17050-2344
Attn: Ronald Gardner – Scout Executive

Dear Mr. Gardner;

FIELD SERVICE REPORT

PURPOSE: The purpose of this report, provided at the request of the New Birth of Freedom Council (NBOF), is to provide observations and analysis relative to the utilization of council properties. This report follows field activities conducted during the summer of 2016 and follows a generalized Northeast Region Area 6 study of all councils and properties. In addition, subsequent research has been conducted based on year end 2016 data.

EXECUTIVE SUMMARY:

Camp properties exist to support the strategic plans of the councils that own them. As one of the strategic pillars of the BSA is financial sustainability, this report has been informed by that perspective.

- Begin thinking strategically about camp utilization if membership and camping participation continues to decline.
- Look holistically about the markets beyond council boundaries in which you operate.
- Monetize Wizard Ranch and use the interest from the proceeds to strengthen the Cub program.
- Explore divestment of Conewago with Wells Fargo.
- Consolidate the programs of Hidden Valley and Camp Tuckahoe at Camp Tuckahoe.
- Integrate the NER Area 6 Properties Evaluation report (04/ 2017) into your thinking.
- Use new and freed up capital to bolster the Cub program. Cutting operational losses frees up those resources to help with ongoing operational costs.

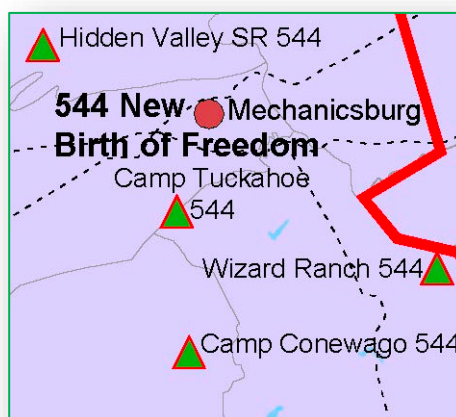


SITUATION/BACKGROUND:

The New Birth of Freedom Council is a council serves South-Central Pennsylvania. The council was formed by a merger of York-Adams Area Council and Keystone Area Council on April 1, 2010.

The Council operates 4 camping properties within a 25 mile radius of Mechanicsburg. They are: Hidden Valley, Tuckahoe, Wizard Ranch and Conewago.

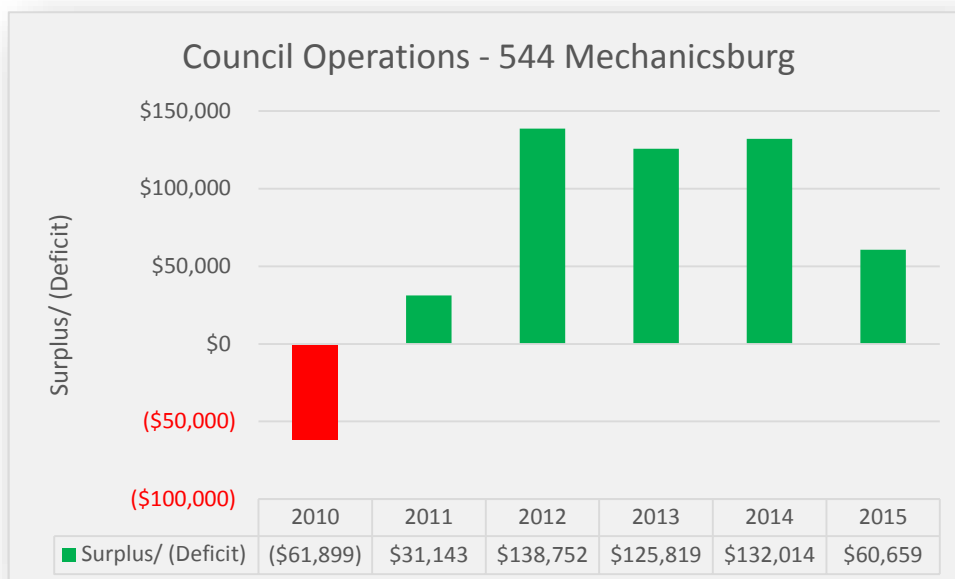
The area is characterized by a high concentration of BSA camp properties that are of good quality. In addition, throughout the area out-of-council camping is very prevalent.



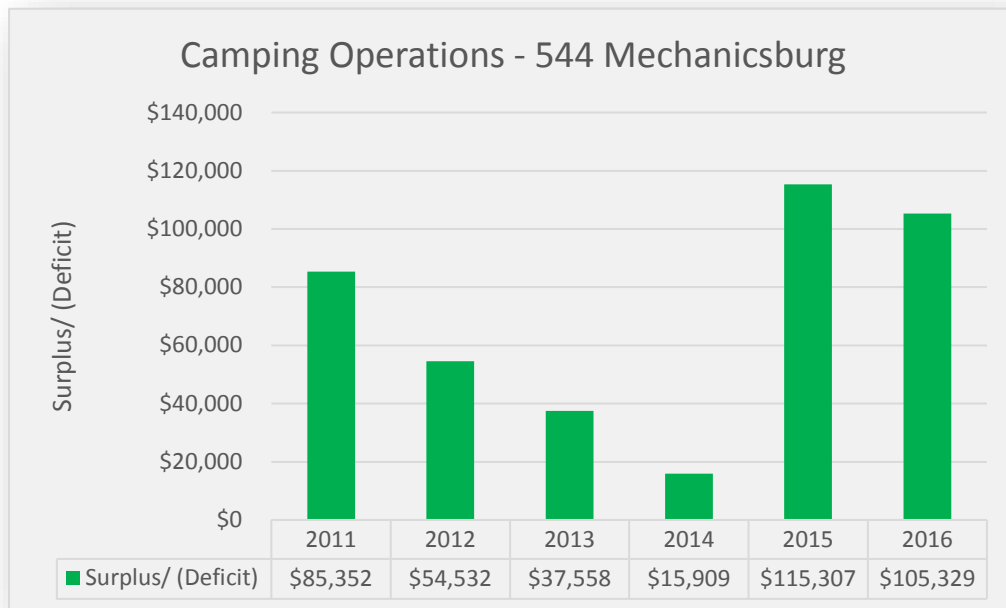
OBSERVATIONS:

Financial Sustainability:

Council operations have been operating in the black since 2011.



Camping operations have yielded positive results since 2011. Net revenue was in decline until 2015 when it increased by \$100,000. This can be attributed to both an increase in fees and a decline in expenses. Neither depreciation nor general administrative burden are recorded at this level. A more accurate picture would emerge through the use and application of the PeopleSoft NCAP financial module. (Ricky Loudin at the National Service Center can assist you in setting this up.)

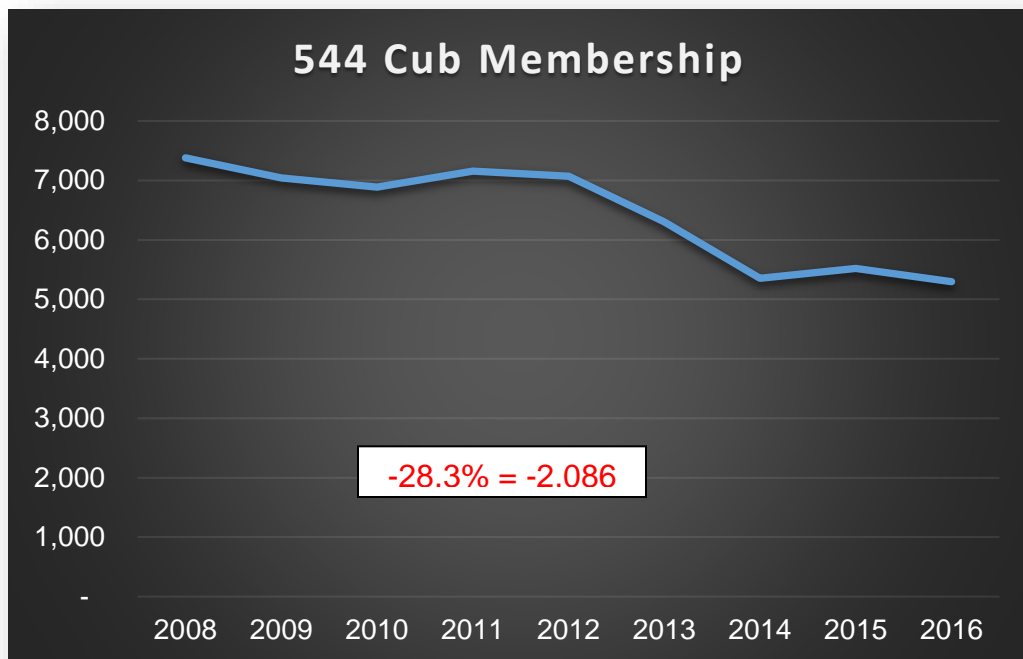


Membership:

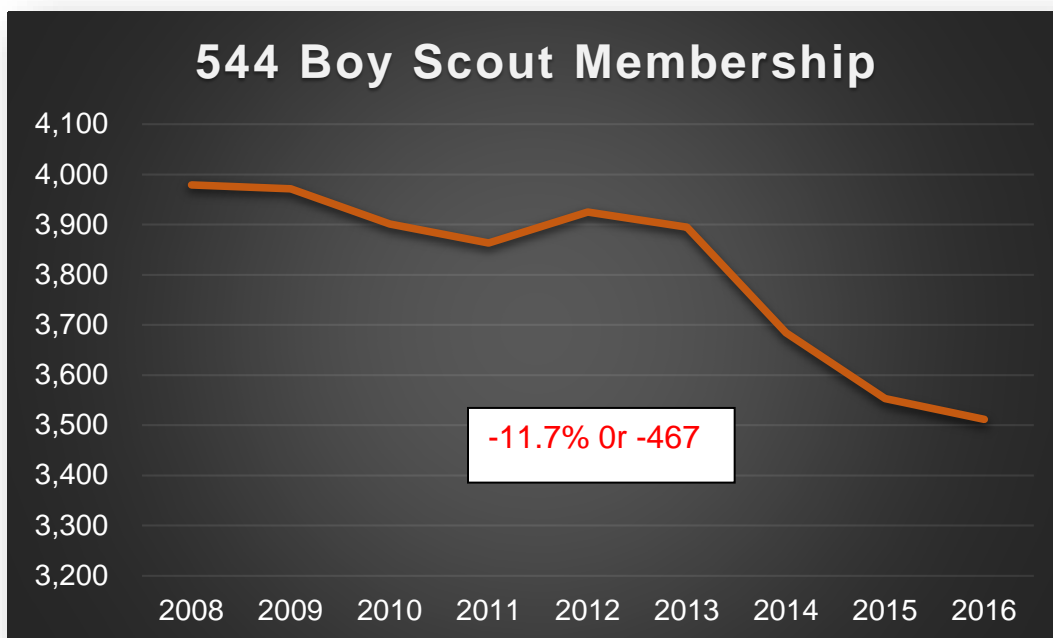
Records for the period year-end 2008-2016 show a decline in Membership in Cubs, Boy Scouts and Venturers. You will note that the scale of each graph is different for sake of readability. All membership numbers are reported as year-end audited totals.

Declines in membership equates to a decline in campers and camping revenue. Over time this often results in financially unsustainable operations as the number of available campers drops below the break-even point for the camp. NBOF enjoys significant out-of-council camper revenue. However, this is not certain income and is subject to change due to any number of uncontrollable variables.

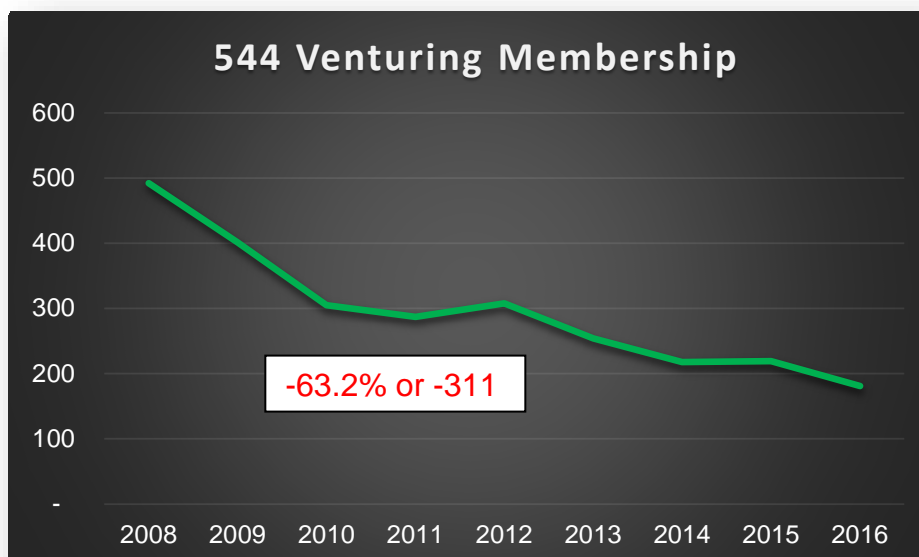
Of particular concern is the decline in Cub Scout membership over the study period. Cub membership is a leading indicator of future Boy Scout membership. Over 90% of registered Boy Scouts come from the Cub Program.



Boy Scout membership is also in decline. While a percent change of -11.7% is not good, the loss of 467 campers over 8 years is far less significant than a 2,086 decline in Cubs.



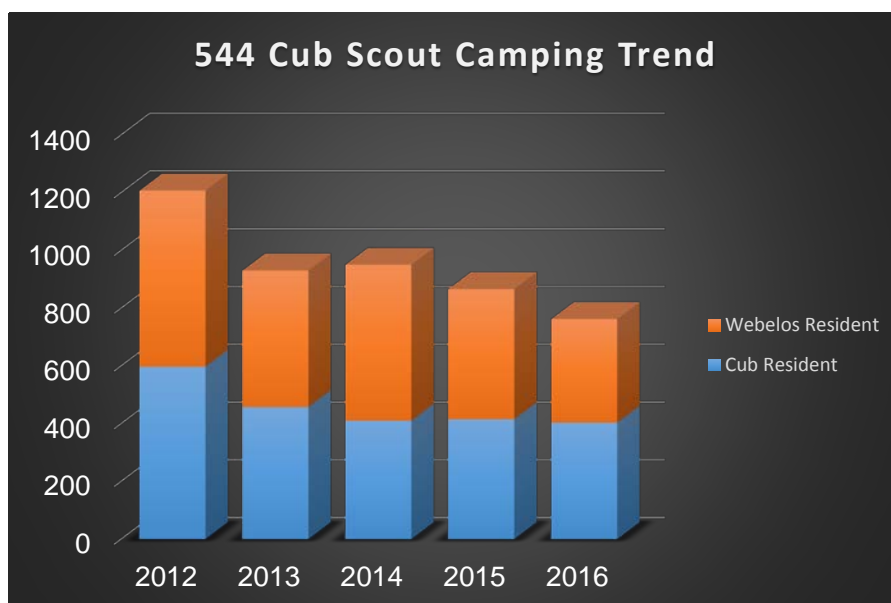
The number of Venturers has been reduced by more than half through the same period. Membership in this program has dropped from a 2008 high of 492 to a 2016 low of 181 registered members.



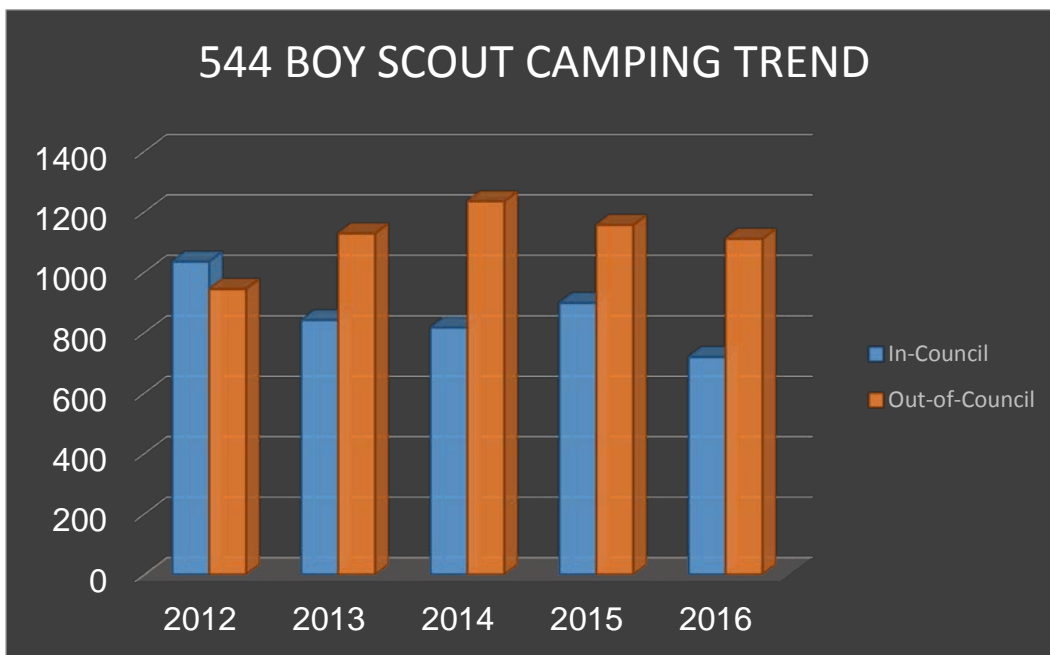
Camping: All camping numbers referred to in this section represent Scouts and do not include leaders or staff

Camping Trends for NBOF:

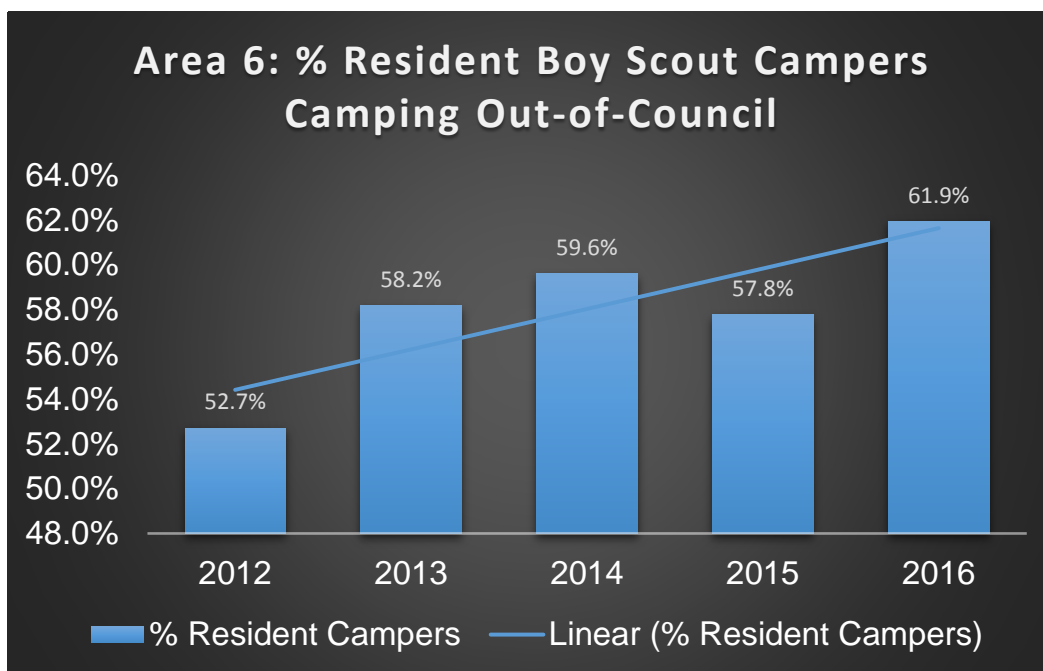
There has been a general decline in NBOF Cub and Webelos attending resident camp. This is likely to be a reflection declining membership. Not captured here are the number of out-of-council campers who attend camp at Camp Tuckahoe. Currently at approximately 250 campers, the number is not insignificant. NBOF campers camping out of council is small and included in the totals.



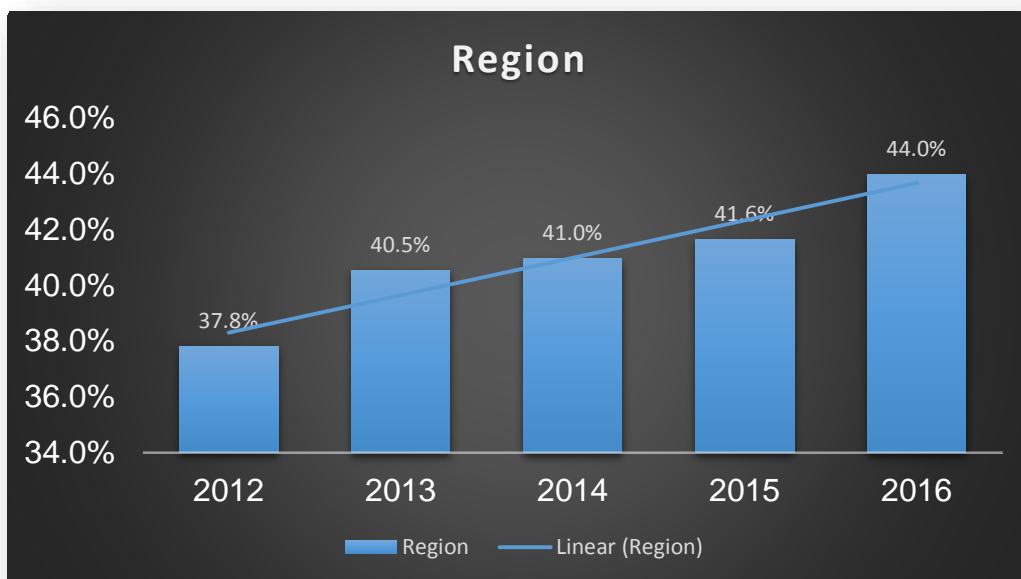
Boy Scout resident campers are camping out-of-council in significant numbers. Currently, out-of-council campers using NBOF properties is on the order of 1,000 Scouts.



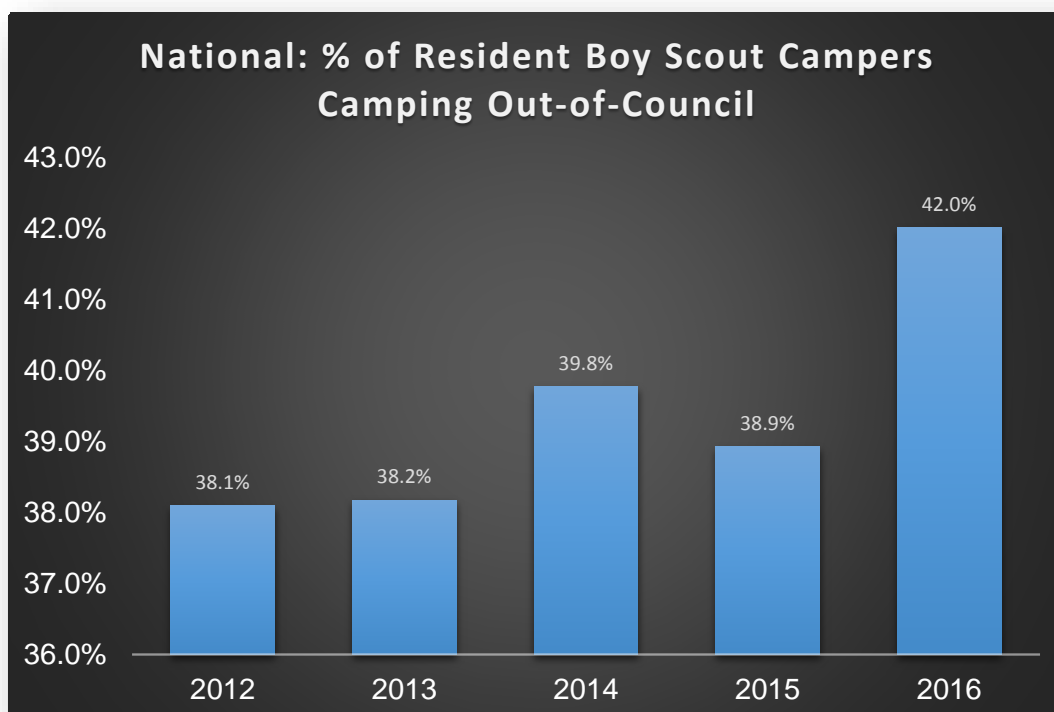
This is a trend found throughout Area 6. Campers are camping out-of-council in increasing rates. The comparable rate for NBOF in 2016 was 60.7%



On a regional basis, fewer troops are camping out of council.

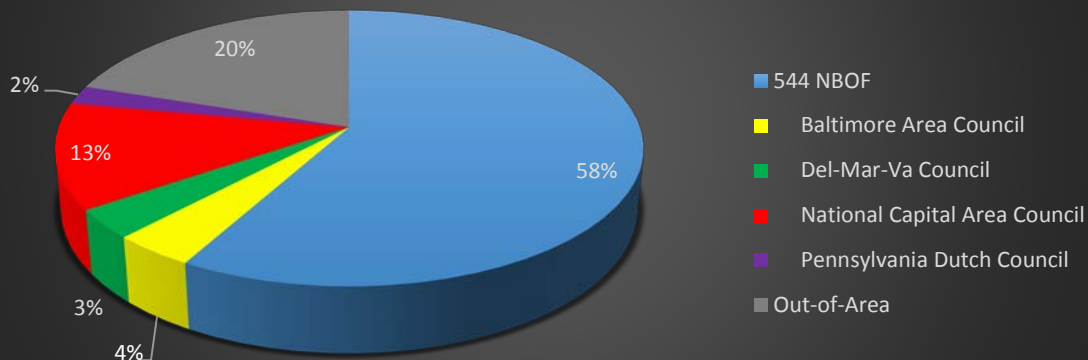


The National trend is a little lower, which is likely attributed to the greater distances between camps in the land between the coasts.

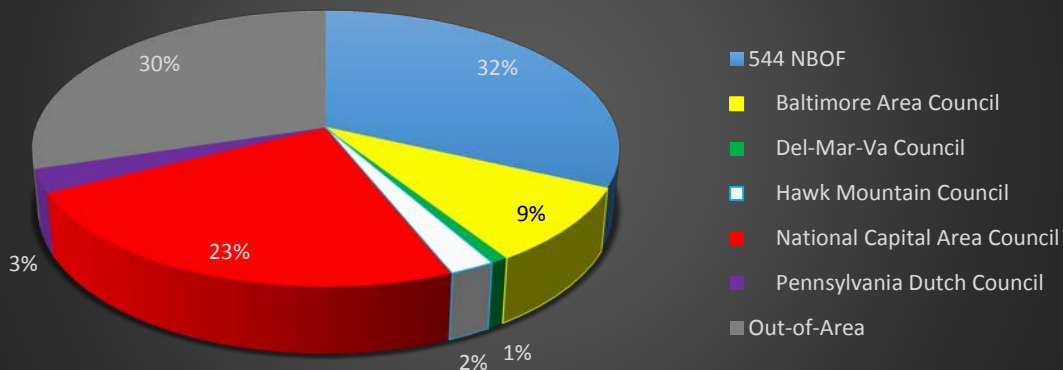


Of the four camps the New Birth of Freedom Council operates, only Hidden Valley and Tuckahoe operate resident Boy Scout Camps.

Camp Hidden Valley: Where the Campers Came From 2016



Camp Tuckahoe: Where the Campers Came From 2016



CAMPS:

Hidden Valley Scout Reservation

Situated on 830+ acres near Loysville, PA in Perry County, with the scenic Sherman's Creek and its exciting fishing opportunities running through it, Hidden Valley has been in operation since 1927.

Hidden Valley currently offers five weeks of Boy Scout summer camp as well as a Trail to Eagle Camp and one Lion & Tiger camp (2017). The Order of the Arrow rotates programs between Hidden Valley and Tuckahoe.

The reservation also offers a wide variety of cabins, with capacities ranging from 10 to 65 people.

The property uses Sherman Creek for boating. Water is impounded by a low head dam which will require repairs in the short near term. There is no lake. This property represents a typical Boy Scout resident camp. There are no Cub programs offered at this property.

The reservation is in fair condition, with many dated facilities that reflect their age and use. For reasons stated below, as a matter of good stewardship, the council should seriously consider cutting its financial losses on this property and consolidating operations at Camp Tuckahoe.

Camp Tuckahoe

Camp Tuckahoe is the largest of four camps owned by the New Birth of Freedom Council, and currently serves Boy Scouts and Scouts. The 1,300-acre site is located in York County, Pennsylvania a few miles west of Dillsburg and within 1 mile of the Appalachian Trail.

The site was formerly a hunting camp which the Council purchased on March 21, 1947.

Camp Tuckahoe offers 3 sessions of Cub Resident Camp (three days, two nights), 4 weeks of Webelos Resident Camp, and 4 weeks of Boy Scout Resident Camp. In addition, the Order of the Arrow Ordeal is conducted at this property.

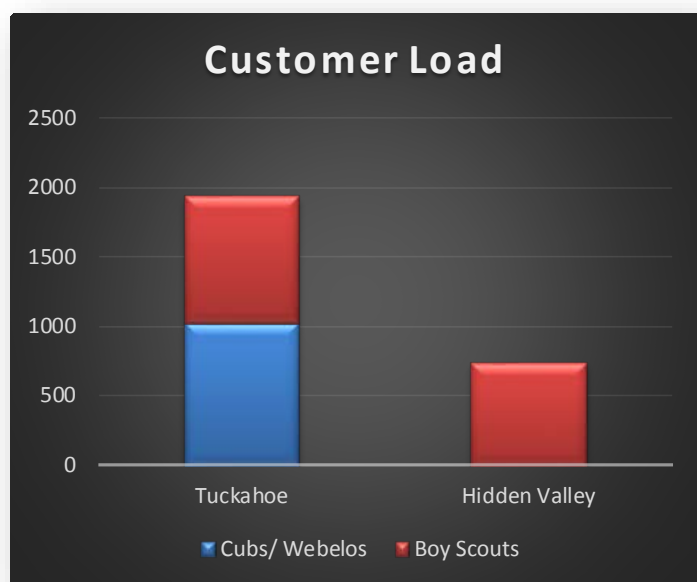
The Memorial Mall and adjoining Chapels are the centerpiece of Camp Tuckahoe. The Mall is an open area lined by hemlock trees that is often used for camp ceremonies.

The property also features a "Cub World". Themed areas include the Pirate Ship, Medieval Castle, Frontier Fort, and the Teepee Village. Sleeping accommodations are available in all four areas. Other areas include the Nature Tree House, the Underground Mine, Physical Fitness trail, Cub Activity Field, and Cub Pavilion. Additionally there are Air Rifles, Action Archery (a sling shot course), and Archery Ranges. The Cub program

is a leading indicator of your future success in the outdoor program. Declines in membership and camping are disturbing. Now is the time to consolidate programs and properties and raise this segment of your business to a new height.

For Boy Scouts, the camp features a full shooting sports program, Aquatics on Memory Lake, COPE and a large variety of program selections.

The condition of the facilities range from fair to good. Due to the number of roofs, program areas and general size, it is likely that maintenance and upkeep **resources** are insufficient.



It was reported that of two camps that offer a resident program (Hidden valley and Tuckahoe), Tuckahoe runs a financial surplus that covers Hidden Valley's losses. This being the case, there is a good case to be made to cut the losses at Hidden Valley and direct Scouts to Tuckahoe. With 1,300 acres, there is plenty of room to expand. As an additional benefit, the quality of the program should improve as equipment and resources are consolidated into one Scout reservation.

Camp Conewago

Camp Conewago is located in New Oxford, PA at the "Forks" where the Little Conewago enters into the Big Conewago stream. It is approximately 10 miles from Gettysburg, PA.

The camp was built in 1919, and is approximately 25 acres in size. Some of the original buildings are still in use. The camp does not offer resident camp. There are no program areas with the exception of a fire ring and fishing. The property is used for weekend camping and meetings and district events.

The facilities at Camp Conewago are in poor condition.

I recommend that you seek the advice of your legal counsel to determine if you can walk away from the trust agreement with Wells Fargo. It is understood that the property

is held in trust for the use of the Boy Scouts AND the local Community. This is less than optional and places the property in the category of a local park. The overhead and diversion of resources from your best properties makes a business case for disassociation.

Wizard Ranch

Wizard Ranch is a primitive camping area with 300 acres of fields and woodlands in eastern York County (Hellam Township) near the western banks of the Susquehanna River.

The land was donated to the council in 1960. At the time of observation, the property had one cabin and a western theme program area. The cabin has asbestos in the walls surrounding the windows.

The property is home of the “Wizard Ranch Safari” a quadrennial camping event, the next event scheduled for October, 2019. Other than occasional weekend camping, this the only use of the property.

It was reported that the council owns residential lots on River Drive adjacent to the Ranch which are occupied. This was not confirmed.

There are few facilities at Wizard Ranch and they are in extremely poor condition. Visitors should be prohibited from entering the cabin.

It was reported that an offer to buy the property has been tendered in the past, but not executed. The appraised value is between \$1MM and \$1.6MM depending on whether the property is sold with or without easement.

To be clear, I do not recommend continued use of this property. Our best recommendation is to completely monetize the value of the asset and place the proceeds in a restricted account and to use the interest to improve the outdoor program.

Other Considerations: An area wide (NER Area 6) report on camp properties is due to be released during the week of March 13. An effort has been made to align the thoughts and observations that report and this document. For a better understanding of the dynamics of the area. The New Birth of Freedom Council should consider both.

Area 6 is a highly competitive market or group of sub-markets with campers flowing freely from one camp to another. Optimization can only be achieved through cooperation between councils as opposed to competition.

Cooperation: While NBOF council is in the enviable position of hosting lots of out of council campers, cooperation can be improved through shared use of resources and group buying opportunities. Keep in mind that a planned rotation of troops and packs

benefits both “buyer” and “seller” through improved planning and exposure to new things.

Available Capital: The council’s camping and properties committee believes that a capital campaign of \$7MM is within reach. This being the case, targeting the investment where it would have the most impact should be preferred to scattering the money between 3 or 4 properties. \$7MM will definitely have an impact on one property. In this case, Tuckahoe is recommended. \$2MM to \$3MM among a number of properties will be hard to see given the conditions found at all of your properties.

RECOMMENDATIONS:

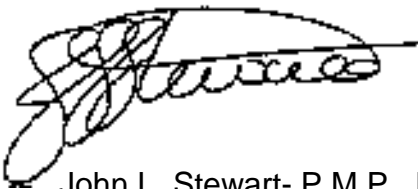
- To some extent, Hidden Valley and Tuckahoe compete for Boy Scout resident campers. If the camps are at least 80% full for each week, this is not a problem. However, with the decline in area membership, this may not always be the case. If they haven’t already, council leadership should conduct contingency planning for this eventuality. The issue of how to respond will be complex and the Council would benefit from a well thought out plan.
- A focus on Cub membership and camping should be a priority. The Outdoor Programs and Properties Team is developing tools to objectively measure program quality. The program would only be strengthened from an exercise such as this. If interested, contact the author of this report to initiate discussions.
- Initiate cooperative efforts with surrounding councils to lower costs and increase program quality. If possible, formalize long term camping agreements.
- You know approximately what the sale of Wizard Ranch can bring. Compare the good it is currently doing for youth to the good that monetizing the asset could bring to the program. Just using the interest from the proceeds could give you the resources to lift the Cub program to a level where retention is no longer a concern. It is clear that the current use is not good stewardship.
- Resolve ownership/ occupancy with the Wizard residential lots that are said to be Council property.
- Ownership and Operation of Conewago is said to not to be a cost the council. I would challenge that statement. Insurance and administrative burden has to be a cost somewhere. In addition, every event that is conducted there decreases the utility of other properties that the Council owns. Even if the property reverts to Wells Fargo, the Council would benefit. It is possible that a deal with the holding trust is possible, I can assure you that Wells Fargo does not want an underperforming asset any more than the Council does.
- The Council should evaluate the number of properties it operates versus their utilization. It has been shown time and time again that operating one property for

many weeks at full or near full capacity provides better quality and reduced cost versus operating multiple camps for fewer weeks.

NEXTSTEPS:

It would be prudent to use this and the Area 6 report to initiate a holistic look at area Scouting in general and the optimal use of area assets in particular. The Outdoor Programs & Properties Team as well as the Strategic Initiatives Office at the National Service Center can assist in facilitating the process.

Respectfully Submitted;

A handwritten signature in black ink, appearing to read "John L. Stewart", with a long horizontal flourish extending to the right.

John L. Stewart- P.M.P., R.E.P.A.

Consulting Engineer – Outdoor Programs & Properties

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CC: Salvatore P. Ciampo – National Strategic Analysis and Camp Maintenance Task
Force Chairman
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Jim Hans - NER Operations
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