

CONNECTICUT AL-ANON FAMILY GROUPS SERVICES, INC.
Board of Directors Meeting

January 27, 2016

Meriden, CT

The Jan. 27, 2016 meeting of the Connecticut Al-Anon Family Groups Services, Inc. was called to order at 6:42 pm by President Pat Strong, and opened with the Serenity Prayer.

Present: Pat Strong, President, Jackie Bontems, Secretary, Sam Chaney, Treasurer, Robert Kane, Sue Guilford, Gail Larkin, Stacie Van Deusen & Deborah Cavanaugh. Guest: Michael C., LDC Treasurer.

Pat reported that since our October meeting there have been 2 Personnel Committee meetings and another contract for a billboard has been signed at the request of Public Outreach. There is no charge for the display. Pat also said she was contacted by the Area Secretary, Donna, regarding an issue with the company performing background checks. Donna sent a copy of the contract documents. Then Ann, Area Delegate, asked if the BOD will work with her to get "Pass/Fail" type reports for Background Checks as recommended by WSO. The contract with the current Background Check company was signed prior to CT AFG being incorporated. Discussion on this item ensued, more discussion will follow, as there is other business to discuss tonight per Pat. She also said we had a lot of work to do in the next 6-7 months regarding the hiring of LDC employees, revising personnel policies, etc.

Secretary's Report: Secretary Jackie B. asked if there were any corrections to the

October 28, 2015 minutes. One addition was made to the minutes on Page 2, under “Third Quarter 2015 Financials+ Proposed 2016 Budget”. Three sentences were created from one first sentence that now reads “Michael reviewed his printed report,...revenue is down 20%...with no obvious reason. Great strides have been made in keeping costs down and profitability is rising. They are keeping a close eye on inventory. “A second correction was made on Page 3 under “LDC Finance Committee”. A sentence was added at the end of this section. The sentence is: “No decisions were made”. Stacie V. moved to accept the minutes as corrected, Gail L. seconded. Motion passed unanimously.

LDC Operations Review:

-Pat said she had asked Marie B., LDC Office Manager for a report but did not get one. Michael C. said he had called Marie and she told him “business as usual, nothing to report”. Michael said he would address Finances in his report.

-Fourth Quarter 2015 Financials + Year End:

Michael reviewed his printed report, saying at year end sales were down 16% from the year before. There is no particular reason for the drop in sales and Michael said he didn’t feel e-books had an impact on this figure. As he had said in his last quarterly report, a close eye has been kept on inventory. The cash balance in the LDC checking account was \$27,000.00 at year end 2015, up \$9,000.00 from year end 2014. Michael said the cash increased because we purchased less inventory.

Michael then reviewed with the BOD his graph showing 4th quarter figures for income and expense as well as YTD 2015 v. YTD 2014 figures. Michael pointed out that Fourth quarter expenses for 2015 are almost identical to the 4th quarter 2014

expenses. Michael said we are in a good cash position at year end. Shipping costs were less, prices were raised slightly for literature and again keeping an eye on inventory all contributed to the positive numbers at year end. “Cost of Goods Sold” on his graph are about the same for the 4th quarters of 2015 and 2014 so when literature was purchased doesn’t come into play. Pat S. said that the stipend amount paid to the Mgr. and Assist. Manager was also lower as less hours were worked by them. It was also pointed out that Cost of Goods was 51% in 2015 but 60% in 2014. Sam C. then pointed out that the approximate \$7,500 more we have in cash at the end of 2015 is basically equal to the lower amount of inventory.

LDC Finance Committee:

The Finance Committee met on 12/15/15. Michael prepared a written report of the LFC meeting. When they met they reviewed the 2016 Area Budget as pertained to the line item of \$6,000.00 approved by the Nov. Assembly for the LDC. The LFC recommends the \$6,000.00 be distributed to the LDC at \$1,000.00 per month. The LFC also discussed using an outside Payroll Service. The LFC does not wish to make such payments directly to the government. The Committee also discussed the WSO announcement that Courage To Change would be put out in e-book format. They feel the impact of e-books would not be great as e-books are 22% of all books and sales of them have leveled off in 2015. Worst case, e-book sales by WSO could cause our sales to drop by about \$1,500.00. The Personnel Committee was discussed. The LFC requests in their report that the BOD add a representative from the Finance Committee to the Personnel Committee. If a Finance Committee member is to be put on the Personnel Committee, Gina R. has volunteered. The

LFC also discussed and concluded that the LDC Manager (post-July when the Manager will be an employee) should not be a member of the LFC as overall compensation may be a topic of conversation at LFC committee meetings. The Committee report also said that a Dec. 8 memo was sent by Pat S., highlighting that on Jan. 27 the BOD would be considering discontinuing the LDC Finance Committee. The Committee is against this move. The next meeting of the LDC Finance Committee will be Feb. 2nd. Pat clarified that what she sent was not a “memo” but an e-mail and that discontinuing the LDC Finance Committee was a suggestion only made by a member of the Personnel Committee.

The LFC report also included a Financial Summary. Sales ended 2015 were down by 16%. The LDC is reaping the benefits of the cost savings programs put into place in 2015. Inventory management resulted in Cost of Goods/inventory in 2014 of \$38.8K versus \$25.3K in 2015. Michael also said the LFC talked at their meeting about what their role would be in the future?

Michael also presented a 2016 LDC Forecast with Payroll and Area Subsidy report. The 2016 forecast is based on including in expenses for the 1st ½ of the year mileage and stipend of \$2,000 but excluding same for the 2nd ½ of the year. Expenses for the 2nd ½ of the year would then include the cost of paying two employees for the 2nd ½ of 2016 only (including estimates for workers compensation insurance and the payment of payroll taxes), replacing the stipend and mileage expense. The forecast shows the year end 2016 cash balance increasing from that of year end 2015 by approximately \$2,000. Michael said the cash balance will probably not increase at the end of 2016, this is just an estimate of income and expenses for 2016.

Pat S. asked how much it would cost for a company to process payroll for us? Sam said possibly \$150-\$200 per month while Stacie said her company pays about \$125.00 per month. Michael reiterated from earlier in the LFC report that the LFC recommends hiring a payroll service. Michael will refine the 2016 LDC Forecast to include more definite costs regarding payroll. Pat S. thanked Michael.

Treasurer's Report:

Sam C. reported that both our Area and LDC Treasuries remain in sound financial condition per reports from the Area Treasurer and the LDC Treasurer/Finance Committee Chairperson. Sam reiterated some information as reported earlier by the LDC Treasurer regarding sales and improved inventory management, which has most likely been maximized. It is likely that if sales continue at current levels or continue to decline, that LDC operations could face a reduced operating margin, or, with the addition of paid staff positions, possibly have a loss. He recommends that close attention be paid to ongoing LDC sales and operations.

Sam said he had printed copies of our insurance policies if anyone would like to see them. Sam also reported that the notice CT AFG received on a failure to file a 990EZ and a subsequent notice of a fine associated with same, pre-empted the due date for the response to the original notice. Sam contacted the IRS and a representative instructed him how to resolve the issue and avoid the fine. Another letter from the IRS arrived as a follow up to the original notice, telling us that our 990EZ was due August 24, 2014. The IRS said they did not receive same until September 24. Sam made another phone call regarding this letter and again was advised how to resolve the issue by sending in missing paperwork. Sam hopes to

have this matter concluded by the next Board meeting.

Sam also asked us if we were all receiving the Area Treasurer's monthly report?

Some BOD members were and some were not receiving same. Sam noted that group contributions at year end totaled \$29,000, which is very close to the Area Budget projection of \$31,000. This is great to see that groups and districts seem to have money to contribute.

Sam brought up the subject of LIFO v. FIFO type accounting system(s) being used for finances of the LDC. Stacie and Sue offered their opinions that the type of accounting system is pertinent only when WSO increases prices.

Sam feels that there is a need for a combined Income/Expense Statement and Balance sheet for the Area and LDC finances. Sam would also like to get a cost of inventory from Marie B.

Concept VI: Gail L. shared on Concept VI. She read a part of the service manual that says: "WSC entrusts administrative authority to Al-Anon Family Groups Headquarters, Inc. so that its Trustees may act freely and effectively in the absence of the WSC." Gail said our BOD is similar to the responsibilities the Trustees have at WS level have. We as a Board are responsible to the Assembly as the Trustees are responsible to the WSC. Gail read also from the Service Manual about the kinds of professional and financial skills that will be required for an effective Board of Trustees. The relations between the Trustees, the WSC and in turn to the Executive Committee should never be frozen into a rigid pattern. There may need to be changes to our present arrangements as new conditions arise. Gail also read from Discovering Choices. Good communication and cooperation is key between

the WSC and the Trustees just as our working together as a BOD with the Assembly is important. Her example was how we communicated with the members about the future of the LDC so that the Assembly was well informed before voting. Jackie will prepare a sharing on Concept VII for the next Board meeting.

Personnel Committee Report:

Chairperson Bob K. shared a report. The committee meeting discussions centered around what was involved in the hiring of personnel and the revision of the job descriptions of the LDC Office Manager, Assistant Manager and LDC Treasurer, with the goal of bringing revised job descriptions back to the BOD for discussion. Committee meeting discussion also took place as to what is currently being done at the LDC whereby recently one person has been doing each day's business. Do we need to hire more than one employee? No decision was made by the committee and this will also be brought to the BOD for discussion. If there is only one person hired, what happens when that person cannot come in on scheduled days of operation for whatever reason? Discussion at committee meetings also included whether or not the LDC Finance Committee should be eliminated. This too will be brought to the BOD for discussion.

The Personnel Committee also created two fliers to send out to the members notifying them as to the open positions at the LDC and job descriptions.

The Personnel Committee prepared drafts of LDC Manager, Assistant Manager and Treasurer qualifications and job descriptions. Bob described some of the proposed changes. . For example, the LDC Manager's duties would now include preparing a written report to the CT AFG Board of Directors when requested.

Language as to a “3-year term” would be deleted and the Manager, Assistant Manager and Treasurer would have to pass a Background Check.

Bob said Personnel Committee feels there are two big issues to discuss, the hiring of one or two people and whether or not the Finance Committee should be dissolved. The Committee was split in their opinions on these two issues.

Pat S. shared that the LDC Treasurer position’s 3-year term is up in June. Michael has made no decision as to whether he would like to continue for a second term in this position. Pat also contacted Mary Ann and Marie to ask if they were interested in applying for the paid positions. It doesn’t appear they will at this time. Pat said that the one applicant that has applied so far had questions about the pay for the job. Discussion ensued as to if one person is hired rather than two, there is the possibility of paying the one person a little more? If the “second person” was instead a volunteer maybe they could receive a small stipend only?

Also discussed whether we should focus on hiring a Manager first and if we get a second person who is qualified then that’s great, rather than looking to hire two people right away. The BOD is in substantial agreement that we should put “First Things First” and focus primarily on hiring the LDC Manager for now. Stacie went on record as saying she believes we should instead look for a Manager and Assistant Manager. Pat said she is hopeful that by the next Area meeting in early March we will have more than one applicant to look at. It was agreed to offer the LDC Manager \$12.00/hour. Pat said she would e-mail the draft of each of the Job Descriptions for Manager, Assistant Manager and Treasurer to the Board members and ask whether we then accepted the descriptions as presented by the Personnel

Committee.

The Board then discussed the need for the position of LDC Treasurer. The LDC Treasurer oversees the LDC Finances, inventory and operations.

Discussion then centered around whether or not the BOD is in a position to directly oversee the LDC if there was no LDC Treasurer or LDC Finance Committee?

The role of the Board's Personnel Committee in the LDC entering a new phase with paid employee(s) was discussed. It was also brought up that the Personnel Committee could review the prospective employee pool and recommend a person or persons to the Board who would then do the actual "hiring". No decisions were made on these issues. Discussion will continue at the next Board meeting on March 9, 2016. This will also be the date of the Annual Board of Directors meeting.

Other Business:

Pat will follow up with Ann B. on American Screening and whether they will be willing to give us "Pass/Fail" type "grade" on Background Check submissions.

Sue moved to adjourn the meeting at 9:08 p.m., Bob K. seconded. The Meeting closed at 9:00 pm with the "Al-Anon Declaration".

Respectfully Submitted,

Jackie Bontems/Corporate Secretary