

TO: CT AFG INC
Board of Directors

FROM: Jackie Bontems, Chair

May 6, 2015

LDC TASK FORCE-FINAL REPORT

Background:

In November 2013, the Board of Directors Chairperson asked the CT AFG Delegate to form a Thought Force. In December 2013, Ellie L. was confirmed by the Area World Service Committee ("AWSC") as Chair. Through Knowledge Based Decision Making ("KBDM"), the charge was determined: "Study the Literature/Office/Storage Needs of the Fellowship, Providing Strategies to Meet These Needs". Other members of the Thought Force were: Mary Ann R., John M., Gail L., Pat S., Terry C., and Rita C.

After working through several KBDM questions, the Thought Force suggested 6 strategies to "Meet the Literature/Office/Storage Needs of the Fellowship" as regards the LDC. The Thought Force framing document was presented to the Board of Directors and to the AWSC on May 9, 2014.

Some of the highlights of the findings of the 2014 Thought Force Report included:

- It is feasible to expand the functional resources provided by our LDC office if members so desire.
- LDC's that are financially viable in other areas of the US and in Canada do not rely on sales alone but rather they rely heavily on fundraisers and/or donations.
- When members are well-informed and invited to participate, members continue to support AFG financially, spiritually and as volunteers.

On August 22, 2014, the AWSC voted to dissolve the Thought Force. After review and discussion of the Thought Force Report, on July 23, 2014, the Board of Directors voted unanimously that Pat S., BOD Chairperson, draw up a framework for a task force to examine the physical and financial aspects of potential changes to the LDC for the next 3 years. On September 10, 2014, the Board voted to implement the framework as presented. On October 8, 2014, the Board gave a vote of confidence for Jackie B. to Chair the Task Force, along with Terry C., Co-Chair and members Sam C., Gina R., and Aimee L.. Ex-officio members were Pat S., Michael C., and Marie B. The Task Force was to develop recommendations to be given to the Board regarding a three- year plan (2015-2017) for the CT LDC.

Preliminary Report January 28, 2015

As outlined in the "Framework" the Task Force focused on the financial aspects of the LDC, re: Can the LDC maintain financial viability in the future and, if so, how do we go about ensuring said financial viability? In order to determine said financial viability the following questions were posed:

1. What is the break even point of sales volume/donation/fundraisers needed to make the LDC self-supporting using volunteers?
2. What is the break-even point of sales volume/donations/fundraisers needed to make the LDC financially viable to support paying the LDC manager a fair and reasonable compensation?
3. Are members willing to support fundraisers and or donations to the LDC in order to maintain financial viability?

In order to answer the some of the questions posed above, the LDC Treasurer, Michael C., provided the following figures relating to forecasted sales (income) and expenses for 2015, 2016 & 2017:

Gross Sales:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
	\$56,000	\$55,000	\$54,000
Expenses:	55,600	54,838	54,175

Note: Expense figures above assume that lease terms with South Congregational Church where the LDC is located remain the same throughout 2015 and experience an increase of \$100/month for 2016 & 2017. Also, estimated costs above include paying only stipend/mileage of about \$4,000/yr. to the Office Manager and Assistant Manager (who are volunteers). The stipend is \$5/day.

WSO Literature Costs

The Task Force also conferred with WSO to obtain projected cost increases for literature for 2015-2017. Information obtained is as follows:

WSO reviews their overall budget with the Finance Committee each December and at that time they review their costs related to the production and distribution of literature and decide whether to adjust prices at that time. There has been one price increase in the last six years and it went into affect in May 2013 with Books increasing 9% in cost, Booklets-12% and Pamphlets-18%. When the percentage increases are averaged it results in a 9% increase in the cost of literature. Over 6 years that's about a 1 ½ % price increase each year.

Volunteer Managers

In June 2013 the then current LDC Manager's position expired and the Assistant Manager resigned. In July 2013 the LDC was closed pending the appointment of new staff. (Note: It was known in advance by the BOD that the LDC Manager's term was expiring and the BOD worked diligently for at least 6 months prior to June to find another "volunteer" willing to work for gas/lunch stipend only in the Manager position). Finally two new volunteers stepped forward for the positions of Manager and Assistant Manager and the LDC reopened in August 2013.

The 3-year terms of both the current Office Manager and Assistant Manager expire in 6/2016 and they have advised the Board that they do not intend to continue in those positions for another 3-year term. In an effort to avoid another closure of the LDC in 2016 and in view of the difficulty of finding volunteer LDC managers every three years, the Task Force looked into the cost of hiring employees to manage the office as is done in other Areas including the MA LDC. It was determined that the cost of paying the LDC Manager and Assistant Manager at a fair wage for the hours necessary to process LDC sales in 2015, 2016 and 2017 would be about \$15,000 annually (including worker's comp. insurance and payroll taxes). The net cost of hiring employees is actually \$11,000, after deducting the stipend currently being paid of \$4,000/annually.

Massachusetts LDC

The Task Force also concluded it would be helpful to look at how other Areas that maintain financially viable LDC's operate them. On March 16, 2015, four Task Force members visited the Massachusetts LDC (some notes of that visit are attached) to garner that information.

MA has two paid staff people. The manager works 40 hours/week and the assistant manager works 15 hours/week. They also utilize volunteers who are paid a flat \$7.00/day.

By visiting the MA LDC, the committee discovered that they not only process literature sales in their offices, but they also maintain Group Records, the Area Newsletter, Schedules and most importantly the Phone Service among providing other services to the MA Area. The Phone Service alone in Connecticut operates at a cost of about \$5,800.00 in 2015. Notably, MA also charges for its schedules and area newsletter.

Member Survey

In order to obtain input from CT Area members as to their thoughts on the LDC here in CT, the Task Force also formulated a Member Survey which was posted on our website and distributed for completion at the AFG Convention. The survey was also sent by the Area Secretary to the District Representatives for further distribution to the Group Representatives and other members (Links of Service). The survey focused on members' familiarity with the LDC and their willingness to support the LDC (either by volunteering to work at the LDC or by financial means). There were 108 total responses, of which more than 70% favored adding a line item expense in the Area budget to support the LDC office. More than 50% favored group contributions to the LDC. When asked if they would volunteer in the LDC office, more than 80% said no. The complete Survey Results are attached.

Based on the information above and attached, the LDC Task Force Committee found that the members in CT are willing through various means to ensure the LDC remains financially viable in the future.

We therefore make the following recommendations to the Board of Directors regarding the future of the LDC:

1. That the Area create a line item expense of \$11,000 in the 2016 Budget for the hiring of staff for the LDC.
2. The Task Force also suggests that the Area look at restructuring some of the line item coordinator expenses in the current Budget in order to ascertain which of the services provided by certain line items (i.e. Phone Service, Schedules and Lifeline) could be modified/eliminated and subsequently handled by the CT LDC personnel/volunteers. This may be a way to obtain the funds being recommended be provided through a line item in the 2016 Budget.

Thank you to all committee members, Terry C. (co-chair), Gina R., Sam C. Aimee L. (and of course ex-officio members Pat S., Michael C. and Marie B.) for your thoughtful comments and hard work on this LDC Task Force.

Yours in Service,

Jackie B.