DOING THE MOST GOOD

The Salvation Army
Advisory Board Meeting
Herberger Headquarters, 2707 E. Van Buren
September 9, 2014; 11:30 – 1:00 PM
Lunch: 11:00, Call to Order: 11:30 AM

BOARD MEMBERS

Mike Andrews.....Chair
Roger Marce......Vice Chair
Mike Karlson....Secretary
Bill Alkema......Treasurer
Bill Brewer
JoAnn Callaway
Joseph Callaway
Carol Klagge
Marlene Klotz Collins
Wally Larson
Tom Leyda
Randy Long
Pat Moeschler
Barry Shemer
Jeff Taylor

OFFICERS

Major John Brackenbury

STAFF

Suzanne Bright
BJ Dorman
Rick Navarro

Guests

I. **Call to Order/Roll Call** — **Mike Andrews**

II. ✝ **Opening Prayer** — **Maj. John Brackenbury**

III. **Approval of Consent Agenda** — **Mike Andrews**
   a. Motion made – Bill Brewer
   b. Motion seconded – Tom Leyda
   c. Approved by all

IV. **New Business**
   a. REW / ARC Connection update
      i. Security Title (17 locations) has just agreed to REW
      ii. Lots of companies already on board
      iii. Asked for more ideas from board members
      iv. Next will be Managements companies
      v. Have permission to speak at Old Republic Title National Conference/Meeting (This November
      vi. Industry Partners are meeting tomorrow, have table, JoAnn will be speaking
         1. Has the heads of all title companies / managements companies
         2. Home Smart has approached them
         3. National Assoc. of Realtors: JoAnn and Joseph are speaking in New Orleans, also speaking with SE. Division ARC.
   b. Exclusive invitation for Thursday, October 30: "A Thank You" will be mailed out
   c. Budget Review
      i. See attached financials
      ii. Proposed Budget is column #5 & #6
      iii. Decreases dues to United Way and HUD contracts ($200K)
      iv. Red Loan Payments starts ($275K)
         1. Finance Committee has decided not to use Capital Funds to pay for Red Loan, but to carry forward using City Funds.
      v. Increased Family Assistance
      vi. Investing $25K in Project Hope
      vii. Better tracking of Christmas
      viii. Increase in conference (budgeted)
      ix. Ended with a $193K deficit.
      x. Kroc deficit reflects a deficit of $621K

1. Kroc received additional endowment funds, their budget has not been finalized.

MOTION: To accept the proposed City Fund budget as presented.
The motion was made by Bill Brewer.
Seconded by Carol Klagge.
Discussion: None
The motion was carried by all.
Discussion:
Marlene wanted to be sure that JoAnn and Joseph Callaway were thanked on behalf of the entire Phoenix Advisory Board with tremendous gratitude for all of their hard work.

V. BFO: Reflection moment
- a. Wally Larson shared a story of the Columbine shooting and Majors John and Pam Brackenbury's involvement
- b. Jeff Taylor spoke of a person being treated for drugs addictions and his mother is celebrating 6 years of graduating from our program.
- c. Major John Brackenbury spoke of an individual about to graduate in 18 days and how much he has changed since he first entered the program.

VI. Divisional Commander Report — **Maj. Raewyn Aspeitia**

VII. Valley Report — **Major John Brackenbury**
- a. Pack to School
  - i. Amex came through with ½ million items.
- b. Gearing up for Christmas
  - i. Will send out dates soon

VIII. Development Report — **John Brackenbury**
- a. On behalf of Colonel Joe Posillico, it was announced that Deb Oberhamer tendered her resignation.

IX. Chair Report — **Mike Andrews**
- a. Governance Committee
  - i. Formalize the process

X. Council Reports — **Council Chairs**
- **a. Echelon** — **James Smith**
  - i. Mingle Mixer Event
    1. September 24
  - ii. 2 Graphic Artists are doing PowerPoint Presentation for RKKO
- **b. Herberger** — **Mike Karlson**
  - i. No report given
- **c. Citadel** — **Gayle Tanner / absent**
  - i. Gayle met with Major Pam Brackenbury a week ago to go through names – Major John Brackenbury stated
- **d. KROC** — **Ted McClure / absent**
  - i. No report given
- **e. ARC** — **Rick Navarro**
  - i. Miracle of changing lives
    1. 16 graduates each month on average
    2. Faith based utilization of the 12 steps
       1) Completion rate 30%
  - ii. Donations are down – typical of the summer
  - iii. Wanting to hire 6 new drivers to handle the anticipated increase in volume
  - iv. 2 letters of intent for 2 locations

        v. Count Me In Conference in October - 200 men and women

f. Maryvale — **Linda Dickerman/absent**
        i. No report given

g. Central - — ***TBD***
        i. No report

XI. Program Reports — *Program Chairs*

a. Thanksgiving Dinner — **Mike Andrews**
        i. Serves 1500 / home delivers 3000
        ii. Looking for an acoustic group to play in the greeter area

b. Christmas Dinner — **Mike Andrews**
        i. Serves 5000 / home delivers 2000+
        ii. 1st meeting Thursday, September 18

c. Golf Classic — **Roger Marce / absent**
        i. Fundraising / Friend Raising opportunity
            1. Saturday, April 11
            2. Stone Creek Golf Club

d. Red Kettle Kick-Off — **Marlene Klotz-Collins**
        i. Format change
            1. Soup, bread, donuts
            2. 15-18 lines
        ii. Proposal sent to Barrett-Jackson
        iii. Cost: $25 per person / $250 per table
            1. Asking every board member to sponsor a table (buy it and fill it)
        iv. Key Note: Mike Joy / Emcee: Jeff Taylor

e. Red Kettle Club — **Marlene Klotz-Collins**
        i. 4 clubs
            1. Desert Vista – has Facebook site launched
            2. Corona del Sol – has over 100 members
        ii. 2nd Leadership Seminar is scheduled for – Saturday, November 8
            1. Kroc Center – from 8am-1pm
                1) Rob Pace will be the guest speaker

f. Real Estate Wednesday — **Tom Leyda**
        i. See new business

XII. Committee Reports — *Committee Chairs*

a. Nominating — **Linda Dickerman/Absent**
        i. No report given

b. Finance — **Bill Alkema**
        i. Went over the financials close of July. ½ million due to time of endowment in City Fund.
        ii. Kroc: last year's budget was unrealistic, is now realized. Taking a more realistic approach with upcoming budget. Metrics is playing a bigger role in this year's budget and comparing to other Krocs.

c. Strategic Initiatives — **Barry Shemer**
        i. Sent a one page update prior to meeting via email.
        ii. Updates:
            1. Collaboration with Phoenix Rescue Mission and Changing lives – done
            2. Salvation Army and Phoenix Fire Department collaboration – done
            3. NEW: Prevention / Treatment rather than removal with CPS and Charles Flannigan – funding and program has potential.

d. Property — **Wally Larson - designee**
        i. Camp Ponderosa Updates
            1. Work Action suspended – because camp was in full action
        ii. Kroc Improvements

1. No updates

iii. Citadel Updates

1. Vacant lot: Option B is now in escrow
2. Option C is being considered for rental by the Corps Officer
    1) Would allow Soc. Serv. & Admin. to relocate and have house turn into a coffee house and the upstairs turned into ARC or ASU housing.

iv. Herberger Campus

1. Researching Harbor Lights
2. Family Education Activity Center – Pending due to funding

e. Volunteer **Nicholus Odem / Absent**

i. No report given

f. Legislative Liaison **Jeff Taylor**

i. Discussed a bill and required docs:

1. 5K inmates per year into drug treatment, except for the first year it would be 3500.
2. $92M would be converted for education
3. Some may come to Salvation Army
4. Sen. Wordsley & Sen. Pierce are pushing it.

g. Resource Development **Roger Marce**

i. No report given

XIII. Closing Prayer, Adjournment **Maj. John Brackenbury**
Adjourn at 1:08pm

ATTACHMENTS:

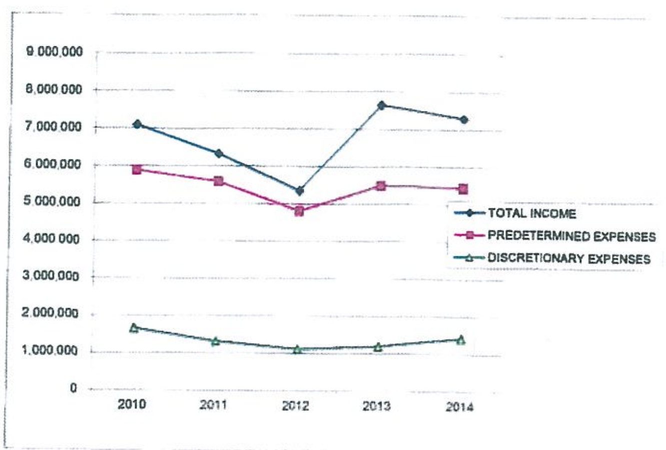
Budget Report .... (4 page)

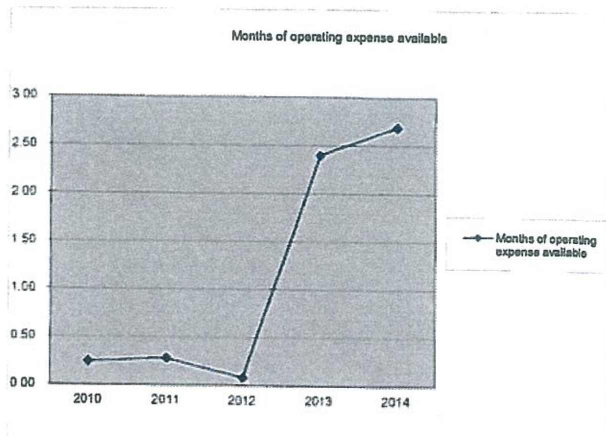
Next Meeting: October 14, 2014

The Salvation Army - USA Western Territory
PHOENIX CITY FUND - Summary of All Units
Statement of Activities
For the Ten Months Ending July 31, 2014

	ACTUALS 7/31/10 FY 2010	ACTUALS 7/31/11 FY 2011	ACTUALS 7/31/12 FY 2012	ACTUALS 7/31/13 FY 2013	ACTUALS 7/31/14 YTD 2014
Contributions	1,708,050	3,115,417	3,052,413	3,198,735	3,427,911
United Way	38,640	38,857	2,121	323,350	240,262
Trust & Endowment Income	1,347,687	797,084	373,360	915,413	512,670
Fees & Grants - Government Agencies	321,169	309,921	319,663	544,337	438,068
Program Service Fees	196,667	59,828	2,418	3,790	950
Miscellaneous Revenue	14,100	15,324	5,060	27,459	11,671
Release from Temp Donor Restriction		(0)	14	(0)	(0)
DIRECT INCOME	3,626,313	4,336,430	3,755,049	5,013,084	4,631,530
Allocation from other TSA	2,314,252	672,493	227,900	413,050	357,534
Allocation to other TSA	(1,340)				
Assessment Income	167,094	133,251	123,084	119,952	163,542
Gifts-In-Kind	987,556	1,180,694	1,243,806	2,093,821	2,143,817
TOTAL INCOME	7,093,875	6,322,868	5,349,838	7,639,907	7,296,423
Salaries & Allowances	3,194,033	2,954,779	2,383,404	2,165,891	2,098,736
Insurance & Shared Expenses	250,000	374,505	355,262	348,082	328,694
Utilities and Communications	1,024,070	521,031	394,360	362,743	390,496
GIK Expenses	987,556	1,180,694	1,243,806	2,093,068	2,143,817
Depreciation	86,891	97,055	53,630	45,276	48,499
Support Service	342,052	458,357	381,725	477,708	442,679
PREDETERMINED EXPENSES	5,884,601	5,586,422	4,812,187	5,492,770	5,452,920
Supplies/Equipment	558,548	455,455	397,171	361,576	447,222
Maintenance	248,005	156,595	142,352	159,246	175,687
Transportation/Conferences	243,140	251,627	165,927	131,806	120,975
Direct Assistance To Individuals	452,576	340,388	342,128	434,007	457,094
Miscellaneous Expense	152,803	113,352	61,103	105,608	220,403
DISCRETIONARY EXPENSES	1,655,072	1,317,418	1,108,681	1,192,244	1,421,380
TOTAL EXPENSE	7,539,673	6,903,840	5,920,868	6,685,014	6,874,300
SURPLUS / (DEFICIT)	(445,798)	(580,972)	(571,030)	954,894	422,122
Net Assets at Beginning of Year	880,381	994,319	793,878	738,560	1,550,533
Net Assets at End of Period	434,582	413,347	222,849	1,693,454	1,972,655
Non-Operating Assets	260,043	239,503	180,284	482,092	573,968
NET OPERATING ASSETS	174,539	173,844	42,564	1,211,362	1,398,687

	2010	2011	2012	2013	2014
NET OPERATING ASSETS	174,539	173,844	42,564	1,211,362	1,398,687
3 MONTHS OPERATING EXP w/o GIK & Depr.	2,155,075	1,875,364	1,541,144	1,515,556	1,560,661
1 MONTH OF AVERAGE EXP w/o GIK	718,358	625,121	513,715	505,185	520,220
Months of operating expense available	0.24	0.28	0.08	2.40	2.69





The Salvation Army - USA Western Territory
Phoenix City Fund - Summary of All Units
PROPOSED BUDGET
For the Twelve Months Ending Sept. 30, 2014

	ACTUALS 9/30/12 FY 2012	ACTUALS 9/30/13 FY 2013	ACTUALS 6/30/14 FY2014	APPROVED BUDGET FY 2014	PROPOSED BUDGET FY 2015	AMOUNT OF INCREASE)VER FY13 ACTUALS
INCOME						
4000 Contributions	$854,924.56	$849,232.36	$636,554.00	$831,450.00	$781,000.00	144,446
4005 World Service Contributions	9,955.58	11,195.72	8,787.51	12,050.00	14,296.00	5,508
4052:4054 Gifts-In-Kind	1,346,028.03	1,990,285.91	1,910,094.24	1,961,093.00	1,947,987.00	37,893
4100 Contributions Sub Ledger - Portfolio	2,411,941.79	2,572,045.52	2,601,629.52	2,660,300.00	2,948,500.00	346,870
4200 Special Fund Raising Events	426.55	(646.59)	2,849.67		(1,500.00)	(4,350)
4600 Associated Organizations	(115,140.68)	97,156.06	(75,384.87)	159,331.00	176,308.00	251,693
4609 Special Appeals Appropriations	555,780.00	405,917.45	357,255.00	476,337.00	428,704.00	71,449
4691 Distributions From THQ PROGRAM Trusts	117,178.50	143,001.10	10,000.00	19,000.00		(10,000)
4692 Distributions From THQ Endowments	934,455.63	953,046.74	356,425.25	925,320.00	952,121.00	595,696
4693 Distributions From THQ CAPITAL Trusts	58,623.62	62,173.83	107,059.26		35,000.00	(72,059)
4698 Distibutions TO THQ Trust/Capital Proj.	(249,166.25)					0
4700 Federated Organizations	325,457.02	323,344.49	(15.47)	323,390.00	240,275.00	240,290
5000 Fees & Grants - Government Agencies	426,370.46	621,435.89	405,952.33	492,740.00	424,048.00	18,096
5909-452 GIK Government Agencies	46,254.00	177,960.00	203,940.00	214,380.00	200,000.00	(3,940)
6000 Membership Dues - Individuals	3,289.90	5,583.18	1,125.00			(1,125)
6100 Assessments & Dues - Local Member Units	143,844.00	143,481.00	145,426.00	185,000.00	183,000.00	37,574
6200 Program Service Fees	2,810.50	3,790.25	950.00	1,450.00	20,950.00	20,000
6600 Gains/Losses On Investments	4,238.10	33,769.87	10,270.96			(10,271)
6900 Miscellaneous Revenue	(14.23)	56.79	274.60			(275)
6990 Release from Temp Donor Restriction	28.46	(0.00)	(0.04)			0
TOTAL INCOME	6,877,285.54	8,392,829.57	6,683,192.96	8,261,841.00	8,350,689.00	1,667,496
EXPENSE						
7000 Salaries & Allowances	2,063,467.08	1,918,971.38	1,384,282.02	2,017,214.00	1,930,194.00	545,912
7100 Officer & Employee Benefits	523,291.55	504,587.59	422,417.13	774,952.00	776,363.00	353,946
7200 Employment Taxes	171,246.37	161,007.73	118,874.32	173,771.00	163,646.00	44,772
8000 Professional Fees	197,295.13	213,837.08	277,260.01	227,420.00	313,731.00	36,471
8100 Supplies	370,473.59	353,113.09	351,052.59	389,736.00	427,590.00	76,537
8200 Telephone	36,153.50	24,438.47	14,907.88	28,350.00	16,800.00	1,892
8300 Postage & Shipping	54,896.04	42,500.44	27,380.12	45,450.00	42,916.00	15,536
8400 Occupancy	575,695.22	590,251.70	458,667.87	566,315.00	867,082.00	408,414
8500 Equipment/Furnishings	135,165.47	122,907.55	79,925.33	101,400.00	97,950.00	18,025
8600 Printed Materials	97,204.88	128,629.74	153,891.65	118,075.00	162,985.00	9,093
8700 Transportation/Meals	187,547.74	166,989.01	102,460.14	167,360.00	173,907.00	71,447
8800 Conf/Councils/Special Meetings	*66,877.91*	*45,778.54*	*37,353.84*	*31,550.00*	*92,550.00*	*55,196*
8900 Specific Assistance To Individuals	439,203.38	497,986.38	423,109.01	406,450.00	662,300.00	239,191
8900 GIK: Specific Assistance To Individuals	1,360,925.19	2,115,508.60	2,057,619.24	2,123,911.00	2,096,425.00	38,806
9000 Membership Dues	6,359.26	4,484.91	4,424.43	5,390.00	4,949.00	525
9100 Awards & Grants	8,529.84	15,210.00	5,096.22	25,800.00	8,500.00	3,404

The Salvation Army - USA Western Territory

Phoenix City Fund - Summary of All Units

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9100 Awards & Grants	8,529.84	15,210.00	5,096.22	25,800.00	8,500.00	3,404

9400 Miscellaneous Expense	53,339.40	49,756.97	35,030.79	47,271.00	48,007.00	12,976
9500 Depreciation	71,794.69	59,723.04	42,738.00	39,352.00	75,358.00	32,620
9605 World Service Expense	31,812.00	32,736.00	31,817.00	33,380.00	54,715.00	22,898
969? Indirect/Agency Support Service	491,494.77	532,438.27	419,009.07	512,030.00	528,017.00	109,008
Expenses Before Admin. Alloc.	6,942,773.01	7,580,856.49	6,447,316.66	7,835,177.00	8,543,985.00	2,096,668
TOTAL EXPENSE	6,942,773.01	7,580,856.49	6,447,316.66	7,835,177.00	8,543,985.00	2,096,668
Current Surplus / (Deficit)	(65,487.47)	811,973.08	235,876.30	426,664.00	(193,296.00)	(429,172)
Prior Year Surplus / Deficit	804,047.42	738,559.95	1,550,533.03			(1,550,533)
Accumulated Surplus / Deficit	738,559.95	1,550,533.03	1,786,409.33	426,664.00	(193,296.00)	(1,979,705)