



DOING THE  
MOST GOOD™

**The Salvation Army  
Advisory Board Meeting  
Herberger Headquarters, 2707 E. Van Buren  
February 10, 2015; 11:30 – 1:00 PM  
Lunch: 11:00, Call to Order: 11:30 AM**

**BOARD MEMBERS**

Mike Andrews.....Chair  
Mike Karlson.....Secretary  
Bill Alkema.....Treasurer  
Bill Brewer  
Ken Fauth  
Carol Klagge  
Marlene Klotz Collins

Wally Larson  
Tom Leyda  
Ted McClure  
Barry Shemer  
James Smith  
Jeff Taylor

**OFFICERS**

Lt. Colonel Joe Posillico  
Lt. Col. Bettie Love  
Major John Brackenburg  
Major Erik Hoogstad  
Captain Joseph Cisneros  
Captain Derek Strickland

**STAFF**

Traci Brewer  
Suzanne Bright  
BJ Dorman

**Guests**  
Kay Fauth

**I. Call to Order/Roll Call**

**Mike Andrews**

**II. ☩ Opening Prayer**

**Major John Brackenburg**

**III. Approval of Consent Agenda**

- a. Motion to accept: Bill Alkema
- b. Seconded: Tom Leyda
- c. Motion approved: by all

**Mike Andrews**

**IV. New Business**

- a. Sally Award & Volunteer Breakfast
  - i. Reminder about sending in RSVPs
  - ii. February 18, 7:30am, Phoenix Country Club
- b. Donor Event
  - i. William Booth / Hope Brigade
    1. March 19, Kroc Center
    2. Asked Board to attend
- c. Governor's Prayer Breakfast
  - i. April 23
- d. Echelon Events
  - i. Young Professional's Mixer – Thursday March 26 @ The Yard in Phoenix
  - ii. Stand Up Live – March 27
    1. 100% proceeds goes to Echelon
  - iii. "Do Good" Kentucky Derby – May 2 @ the Shemer Art Center
    1. Focus on membership
- e. **Capital Campaign Presentation**
  - i. World sees us as one Army, however we are three: Corps (DHQ), ARC (THQ), Silvercrest (THQ)
    1. All things impact all three, but only have ability to affect Corps
  - ii. Focuses
    1. Primary: City of Phoenix Programs, Central Corps, Citadel Corps, Herberger Shelter and Warehouse, Kroc Corps (THQ also plays a role) and Maryvale Corps
    2. Secondary: Camp Ponderosa, Red Kettle
      - 1) Took on more responsibility for Camp Ponderosa and it's needs
    3. Third: ARC (1 board member from Phoenix Advisory Board on their "Advisory Board), Valley of the Sun (no official representative)

**Mike Andrews**

**BJ Dorman**

**Reminder**

**Ken Fauth / Wally Larson**

iii. Urgent Property Needs

1. Herberger Education and Activity Center
  - 1) Design drawing completed and Phoenix Advisory Board approved Fall 2013
  - 2) \$2.5M for construction; \$1M to operate
2. Citadel class rooms, Social Services & Offices addition - Facility is land locked, needs parking, need program and Social Service space
  - 1) Design drawings completed late summer 2014 – Corps approval Fall 2014
    - 2) \$1.5M for construction; \$500K to operate
    - 3) Fall 2014 acquired 22 spots - \$35K
      - i. Surface work REQUIRED
      - i. Letter of intent to lease/buy old building adjacent/north of Fall 2014
        - i. Temporary use until newly designed addition has funding to build
        - ii. 3 year lease / offer \$400K (Corps has \$100K to contribute) to but \$150K to partial renovate/demo and surface for future parking lot
3. Maryvale
  - 1) At capacity, no space to expand or build at current location.
  - 2) Minor repairs to meet ADA requirements and cooking made 2 years life in Fall 2013
  - 3) Corps has no current plans
  - 4) Estimate \$4M to build; \$1M to operate
4. Camp Ponderosa
  - 1) All Purpose Activity building
    - i. Have \$2M in Camp Trust; Additional \$2M need for constructions; \$1.5M to operate
5. Valley of the Sun
  - 1) Need to review needs for the next four or five years of other valley Corps
  - 2) Possible additional \$10M for construction; \$4M additional for operations

iv. DHQ Dilemma

1. New Development Director
  - 1) Need learning curve
2. THQ is playing a larger roll in Development
3. Lt. Colonel Bettie Love staying on to assist and transition
4. Current Capital Campaigns in Tucson, Yuma and Sierra Vista
  - 1) Bandwidth?
5. At least 1 year away from doing anything

**Discussion:**

Carol Klagge is overwhelmed with the current needs. She is concerned on how the public will react. She suggested doing on item at a time.

Bill Brewer asked if any of the operating expense would be annual expenses. He is concerned about maintenance costs.

Mike Andrews suggested compiling a list for each locations.

Traci Brewer asked how long was the Kroc campaign. Marlene answered: 5 years.

Barry Shemer congratulated Ken on identifying needs and costs. He suggested diving into chunks, since all may not be able to be done at the same time.

BJ Dorman said that there are programs happening at the Corps. THQ helps with the needs assessment / feasibility study.

Major John Brackenbury said that it may not have to do with program, but with program space. He gave Maryvale Corps as an example.

Ted McClure reflected on the closing of South Mountain Corps and the opening of the Kroc Center. He urged creating successful partnerships. The example he gave was the Y or the Boys and Girls Clubs.

Jeff Taylor stated that needs will always be more than what is possible. Mike Andrews asked Major John Brackenbury to schedule a meeting with the other members of the Advisory Boards from the local Corps. He suggested this to be done before the approach to THQ is made with help for the assessments/feasibility study.

Barry suggested reaching out to gain suggestions and seed money.

Carol Klagge again said that she would rather focus on getting one thing right, than 100 things wrong.

Mike Karlson brought up the suggestion of a Valley of the Sun Advisory Board. He personally said that he would like to review the needs for the Phoenix Corps campuses as well as the other Corps valley-wide. Mike also asked if the other Corps were helping with the funding of this campus to help pay down current debt? Major John Brackenbury expressed concerns with unity.

#### **V. BFO: Reflection moment**

- a. Jeff Taylor reflected over the current bill – Governor’s Budget
  - i. \$100M over 3 years to build beds
  - ii. If bill is passed, can reallocate funds to education / program
  - iii. City Council supports unanimously – which has weight
- b. Mike Andrews commented on Kroc’s day camp program coverage
  - i. Major donor to produce food

#### **VI. Divisional Commander Report**

**Lt. Colonel Joe Posillico**  
Lt. Colonel Joe Posillico  
Introduced Captain Joseph Cisneros, Corps Officer for Phoenix Maryvale.

- a. Explained will leaving due to traveling to New Mexico with Lt. Col. Bettie Love
- c. Director of Development Search:
  - i. Announced that Julie Alvarado was selected (\*\*\*\*\*has now regretfully declined offer)
  - ii. Audit Committee postponed
    1. Reviewing for new date towards end of the month
  - iii. Planned Giving results are great
  - iv. \$3.2M deficit down to \$1M
  - v. Advised that a capital campaign needs to focus on entire county, not just Phoenix
    1. Suggested a committee made up of all local board member chairs valley-wide
  - vi. Red Loans
    1. 0% interest, payments will come out of future trust and legacies.
    2. Paid off in 7 years
    3. Divisional and City Trusts

#### **VII. Valley Report**

- a. Super kids giving event
- b. Feed my Children event in Tempe
  - i. Rain affected distribution / outcome
- c. Already speaking with News Channel 3 for 30<sup>th</sup> Anniversary launch of Christmas Angel
  - i. Merged with News Channel 5, merger/schedule should be complete by June or July
- d. HealthyLife Stars
  - i. Up and running at Citadel, Kroc, Estella Mountain, Mesa and Chandler
    1. Looking for integration with Troops

**Major John Brackenbury**

#### **VIII. Financial**

- a. No report given

**Captain Derek Strickland**

#### **IX. Chair Report**

- a. April Meeting will be for donations
- b. Referenced the board team for the Golf Tournament
  - i. Marlene & Jeff so far

**Mike Andrews**

#### **X. Council Reports**

- a. Echelon
  - i. \*\*\*\*\* see new business

**Council Chairs**  
**James Smith**

- b. Herberger**
  - i. No report given
- c. Citadel**
  - i. No report given
- d. KROC**
  - i. NFL Give Away for Schools
    - 1. Went well, gave out 1000's of pieces of equipment
    - 2. Great awareness
  - ii. Spring Break / Camp
    - 1. March 16-20
  - iii. Tot Olympics
    - 1. For ages 3-4
  - iv. \*\*\*\* See attached Kroc Flyers
- e. ARC**
  - i. No report given
- f. Maryvale**
  - i. No report given
- g. Central**
  - i. No report

**Mike Karlson**

**TBD**

**Ted McClure**

**Randy Long / absent**

**Linda Dickerman / absent**

**TBD**

**Discussion:**  
None

**XI.**

**Program / Event Reports**

- a. 150<sup>th</sup> Year Anniversary**
  - i. Arizona Biltmore Hotel
  - ii. Luncheon
  - iii. Thursday, November 12 – Save the Date!
  - iv. Asked for steering committee interest
- b. Golf Classic**
  - i. Thanked those who have committee to sponsorship
  - ii. Save the Date
    - 1. Saturday, April 11
    - 2. Stone Creek Golf Club
- c. Red Kettle Club**
  - i. No report given

**Program Chairs**  
**Marlene Klotz-Collins**

**Roger Marce**

**Marlene Klotz-Collins**

**XII.**

**Committee Reports**

- a. Nominating**
  - i. No report given
- b. Finance**
  - i. \*\* See Finance Attachments
- c. Strategic Initiatives**
  - i. No report given.
- d. Property**
  - i. No report given
- e. Volunteer**
  - i. No report given
- f. Legislative Liaison**
  - i. \*\*\*\* See GOP Legislator attachment
- g. Resource Development**
  - i. No report given

**Committee Chairs**  
**Linda Dickerman/Absent**

**Bill Alkema**

**Barry Shemer**

**Ken Fauth**

**Nicholus Odem / Absent**

**Jeff Taylor**

**Roger Marce**

**XIII.**

**Development Report**

- a. No report given**

**BJ Dorman**

**Discussion:**

None

**OVERALL General Discussions/Comments:**

None

- XIV. Closing Prayer, Adjournment
- XV. Adjourn at 1:15pm

**Major John Brackenbury**

**ATTACHMENTS:**

- Finance Report..... (3 pages)
- Kroc Flyers..... (6 pages)
- GOP Legislator handout..... (1 page)

**Next Meeting: March 10, 2015**

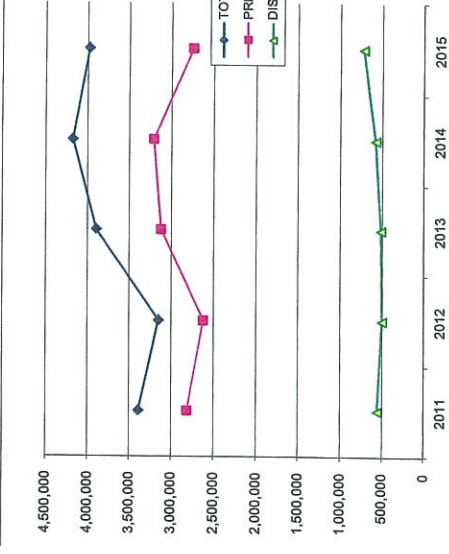
The Salvation Army - USA Western Territory  
 Phoenix City Fund - Summary of All Units  
 For the Three Months Ending December 31, 2014

Phoenix City Fund is showing a surplus for the three months ending	12/31/2014	\$508,807
This compares to a surplus for the three months ending	12/31/2013	\$383,158
This means an improvement <b>(decline)</b> over last year's same time period of		\$125,649
The total income is showing an increase <b>(decrease)</b> of		<b>(196,016)</b>
For the following reasons:		
GIK increased <b>(decreased)</b> over last year by		<b>(609,220)</b>
TSA funds i.e. assoc org, trusts, endowment etc. increased <b>(decreased)</b> over last year by		253,986
Contributions increased <b>(decreased)</b> over last year by		128,393
Government Agencies grants increased <b>(decreased)</b> over last year by		<b>(22,260)</b>
Various other income accounts (program fees, gains on sale of assets etc. increased <b>(decreased)</b> by		38,083
United Way increase <b>(decrease)</b>		3
Total non GIK expenses have increased <b>(decreased)</b> over the same period last year		282,056
Employee related expenses (Salaries, allowances, benefits & taxes) have increased <b>(decreased)</b> over the same period last year by		57,855
Supplies/Equipment increased <b>(decreased)</b> over the same period last year by		44,320
Misc Expenses increased <b>(decreased)</b> over the same period last year by		46,807
Specific Assistance to Individuals has increased <b>(decreased)</b> over last year by		18,585
Specific Assistance to Individuals is over <b>(under)</b> budget by		<b>(2,796)</b>

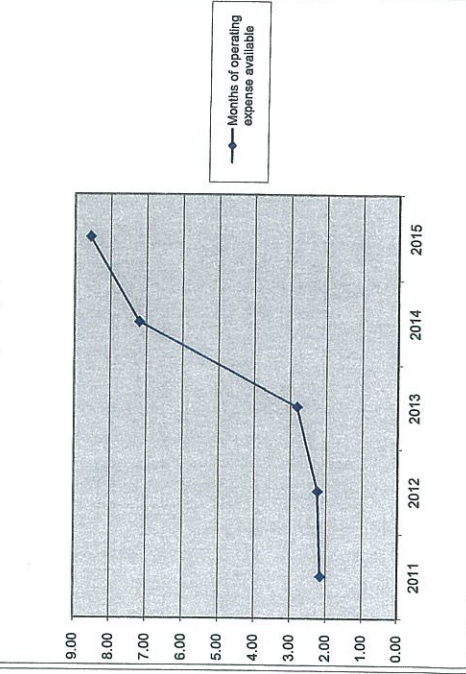
For the Three Months Ending December 31, 2014

	ACTUALS 12/31/10 FY 2011	ACTUALS 12/31/11 FY 2012	ACTUALS 12/31/12 FY 2013	ACTUALS 12/31/13 FY 2014	ACTUALS 12/31/14 YTD 2015
Contributions	1,676,878	1,675,398	1,806,829	1,851,198	1,979,590
Trust & Endowment Income	244,212	103,299	136,061	146,265	402,616
Fees & Grants - Government Agencies	90,864	120,368	136,545	118,605	96,346
Program Service Fees	20,788	325	1,313		6,851
Miscellaneous Revenue	5,646	1,933	13,830	1,137	899
Release from Temp Donor Restriction			(2)	(3)	15,000
<b>DIRECT INCOME</b>	<b>2,038,389</b>	<b>1,901,324</b>	<b>2,094,575</b>	<b>2,117,201</b>	<b>2,501,301</b>
Allocation from other TSA	172,864	62,799	45,113	152,564	150,199
Assessment Income	42,459	49,494	44,295	42,098	73,568
Gifts-in-Kind	1,138,225	1,140,075	1,715,182	1,869,381	1,260,160
<b>TOTAL INCOME</b>	<b>3,391,938</b>	<b>3,153,692</b>	<b>3,899,165</b>	<b>4,181,244</b>	<b>3,985,228</b>
Salaries & Allowances	1,102,305	992,536	886,753	807,740	865,595
Insurance & Shared Expenses	136,970	125,757	138,205	112,841	129,919
Utilities and Communications	191,119	158,540	157,047	195,004	210,187
Printing & Publications					
GIK Expenses	1,138,225	1,140,015	1,715,182	1,869,381	1,265,660
Depreciation	27,651	15,441	15,020	11,462	20,104
Support Service	218,721	194,230	210,964	215,091	255,306
<b>PREDETERMINED EXPENSES</b>	<b>2,814,991</b>	<b>2,626,520</b>	<b>3,123,169</b>	<b>3,211,518</b>	<b>2,746,770</b>
Supplies/Equipment	167,616	177,355	147,729	169,744	214,064
Maintenance	49,171	55,587	45,340	43,435	72,346
Transportation/Conferences	55,023	43,520	48,284	34,462	38,921
Direct Assistance To Individuals	239,588	198,017	205,906	250,317	268,902
Miscellaneous Expense	53,432	32,414	73,113	88,611	135,418
<b>DISCRETIONARY EXPENSES</b>	<b>564,829</b>	<b>506,893</b>	<b>520,372</b>	<b>586,568</b>	<b>729,650</b>
<b>TOTAL EXPENSE</b>	<b>3,379,820</b>	<b>3,133,413</b>	<b>3,643,541</b>	<b>3,798,086</b>	<b>3,476,421</b>
<b>SURPLUS / (DEFICIT)</b>	<b>12,118</b>	<b>20,279</b>	<b>255,624</b>	<b>383,158</b>	<b>508,807</b>
Net Assets at Beginning of Year	994,319	793,878	738,560	1,550,533	2,083,481
Net Assets at End of Period	1,006,436	814,157	994,184	1,933,691	2,592,288
Non-Operating Assets	475,577	320,313	394,209	398,499	506,495
<b>NET OPERATING ASSETS</b>	<b>530,860</b>	<b>493,844</b>	<b>599,975</b>	<b>1,535,192</b>	<b>2,085,793</b>
<b>NET OPERATING ASSETS</b>	<b>530,860</b>	<b>493,844</b>	<b>599,975</b>	<b>1,535,192</b>	<b>2,085,793</b>
<b>MONTHS OF AVERAGE EXP w/o GIK &amp; Depr.</b>	<b>245,994</b>	<b>219,773</b>	<b>212,593</b>	<b>213,027</b>	<b>243,406</b>
<b>MONTHS OF AVERAGE EXP w/o GIK</b>	<b>2.16</b>	<b>2.25</b>	<b>2.82</b>	<b>7.21</b>	<b>8.57</b>

Months of operating expense available



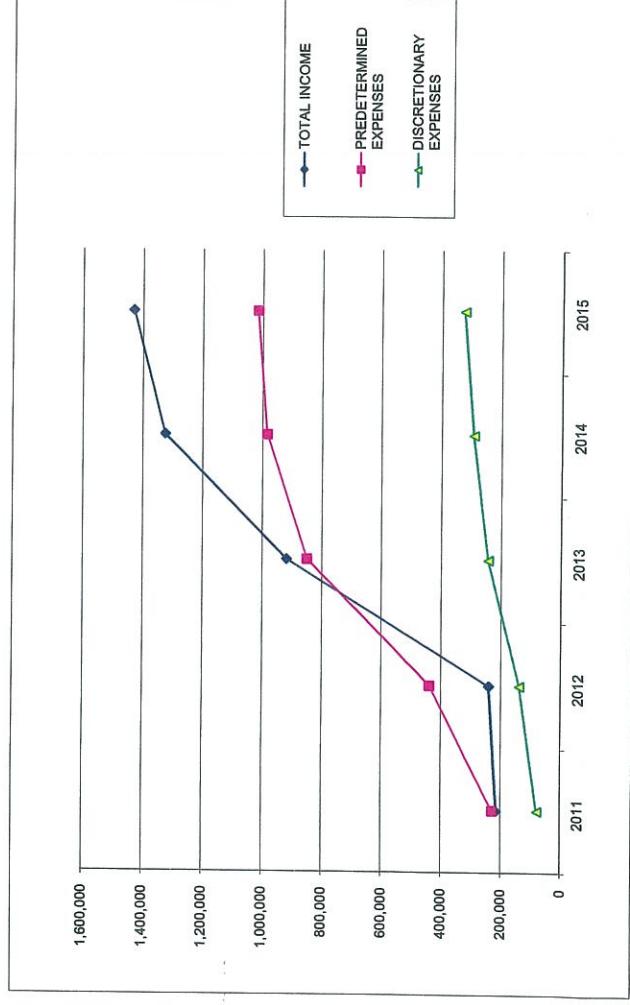
Months of operating expense available



For the Three Months Ending December 31, 2014

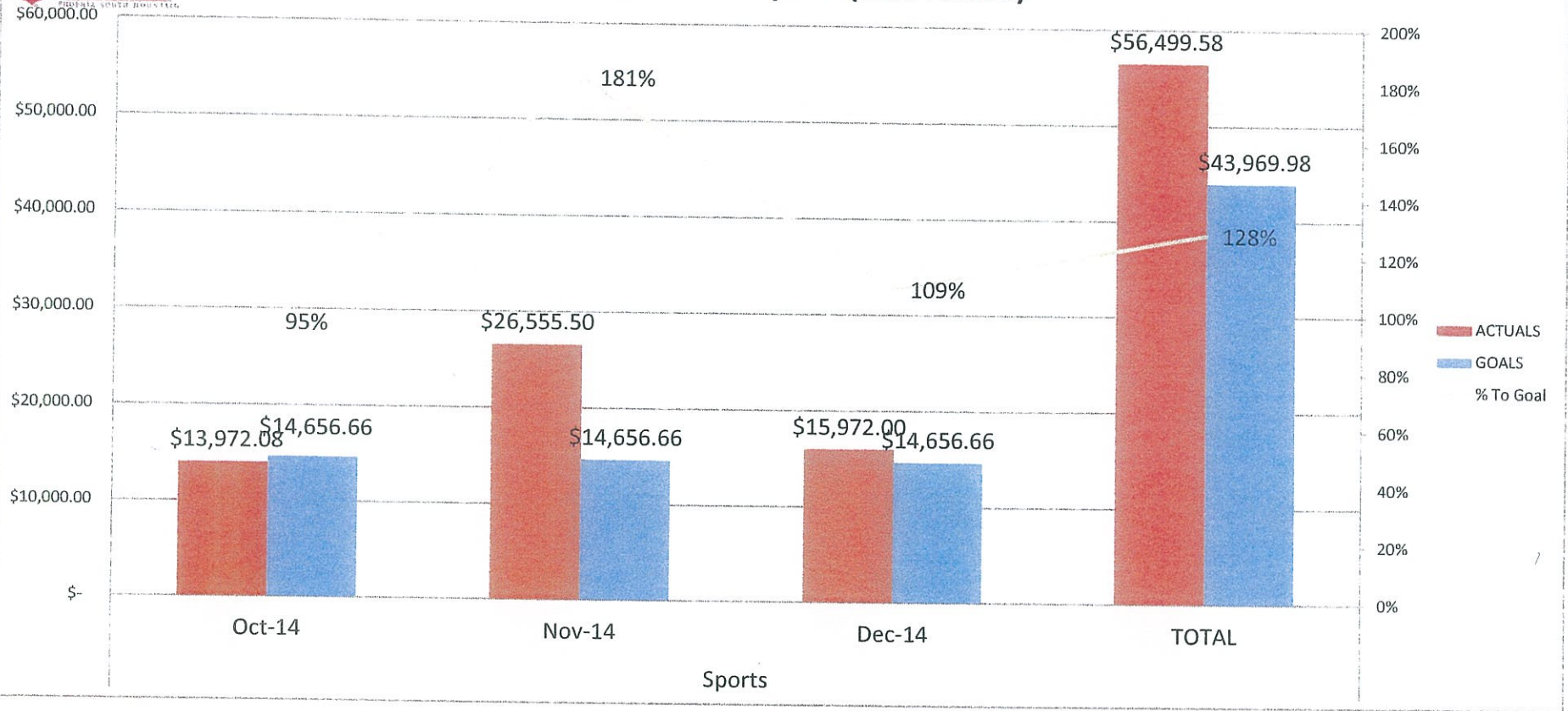
	ACTUALS 12/31/10 FY 2011	ACTUALS 12/31/11 FY 2012	ACTUALS 12/31/12 FY 2013	ACTUALS 12/31/13 FY 2014	ACTUALS 12/31/14 YTD 2015
Contributions	133,405	202,152	276,076	292,814	268,581
United Way	0	0	0	0	0
Trust & Endowment Income	35,387	33,764	501,737	662,259	733,577
Fees & Grants - Government Agencies	0	0	0	0	0
Program Service Fees	6,977	199	25,692	99,293	158,906
Miscellaneous Revenue	2,793	2,730	109,355	147,711	183,039
Release from Temp Donor Restriction	33,570	0	0	0	0
<b>DIRECT INCOME</b>	<b>212,132</b>	<b>238,844</b>	<b>912,859</b>	<b>1,202,077</b>	<b>1,344,103</b>
Allocation from other TSA	2,906	2,942	2,142	121,695	82,794
Allocation to other TSA	0	0	0	0	0
Assessment Income	0	0	0	0	0
Gifts-In-Kind	1,268	774	4,179	2,305	4,963
<b>TOTAL INCOME</b>	<b>216,306</b>	<b>242,560</b>	<b>919,180</b>	<b>1,326,077</b>	<b>1,431,860</b>
Salaries & Allowances	160,857	268,405	508,136	590,758	624,252
Insurance & Shared Expenses	21,085	64,072	112,266	117,076	132,510
Utilities and Communications	17,768	65,642	111,152	123,548	133,150
Printing & Publications	2,165	6,382	17,582	26,023	27,536
GIK Expenses	0	774	4,179	2,305	4,963
Depreciation	6,600	7,399	3,515	4,529	5,069
Support Service	21,127	27,030	93,796	120,741	88,403
<b>PREDETERMINED EXPENSES</b>	<b>229,601</b>	<b>439,705</b>	<b>850,626</b>	<b>984,979</b>	<b>1,015,883</b>
Supplies/Equipment	37,300	27,616	62,556	57,724	64,256
Maintenance	8,274	10,576	52,718	85,344	61,129
Transportation/Conferences	18,575	13,917	11,417	28,687	16,338
Direct Assistance To Individuals	5,408	738	10,189	30,402	51,884
Miscellaneous Expense	10,950	87,273	109,504	93,567	133,193
<b>DISCRETIONARY EXPENSES</b>	<b>80,507</b>	<b>140,121</b>	<b>246,384</b>	<b>295,725</b>	<b>326,800</b>
<b>TOTAL EXPENSE</b>	<b>310,108</b>	<b>579,826</b>	<b>1,097,011</b>	<b>1,280,704</b>	<b>1,342,683</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(93,802)</b>	<b>(337,266)</b>	<b>(177,830)</b>	<b>45,373</b>	<b>89,177</b>

2011 2012 2013 2014 2015





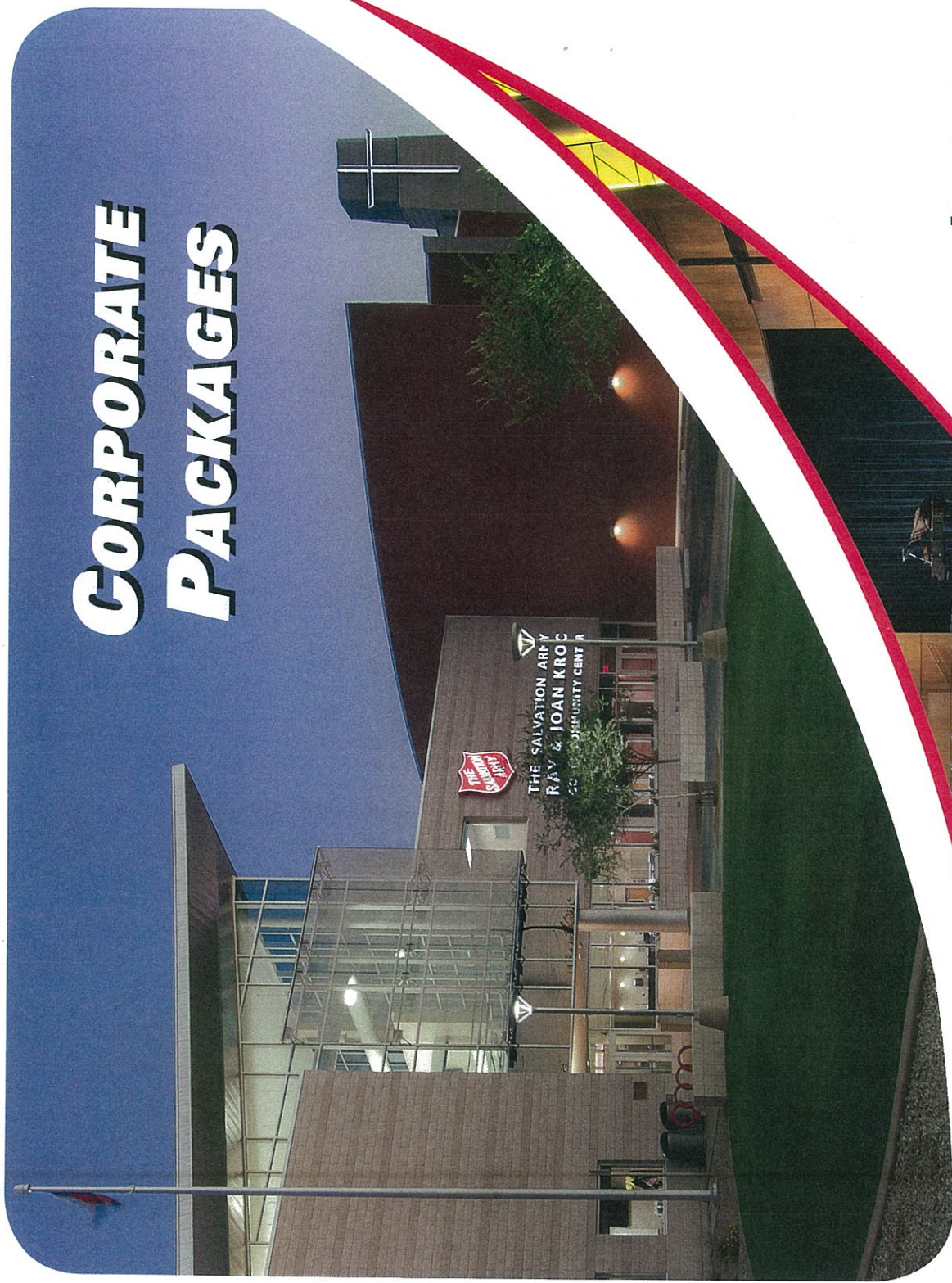
### Revenue Goals: Sports (with rentals)





THE SALVATION ARMY RAY & JOAN  
**KROC CORPS**  
COMMUNITY CENTER  
PHOENIX SOUTH MOUNTAIN

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## EVENTS:

**SOFTBALL THROW**

**40-YARD DASH**

**40-YARD RELAY SHUTTLE**

**6-INCH SPEED HURDLES**

**OVERHEAD THROW**

**OBSTACLE COURSE**

**STANDING LONG JUMP**

**February 21<sup>ST</sup>**

**10AM to 12PM**

**Ages: 3, 4 and  
5-year olds**

**\$10/\$12/\$13**

**\$15 Day**

**of the event**

**Individual and Team Awards**

**Food Specials and Free**

**Inflatables at the Family Party**

**after the "Competition"**

**Sign up today! Call (602) 425-5000 or visit [KROCPHOENIX.ORG](http://KROCPHOENIX.ORG)**





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*"Train up a child in the way they should go, and when they  
are old they will not turn from it."*

Proverbs 22:6

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**FREE**

**2015**

**FREE**

# ITTY BITTY OPEN

## Saturday, January 17<sup>th</sup>



**Ages: 3-5 Starts at 9AM**  
**Includes Best Dressed Contest**

**FREE**

**FREE**

- Each session will have a winner for best dressed team!
- Itty Bitty participants do not need to bring their own golf clubs. Each golfer will receive plastic clubs, balls, a bag, and a visor.

**Space is limited! Sign up today at [KROCPHOENIX.ORG/GOLF](http://KROCPHOENIX.ORG/GOLF)**



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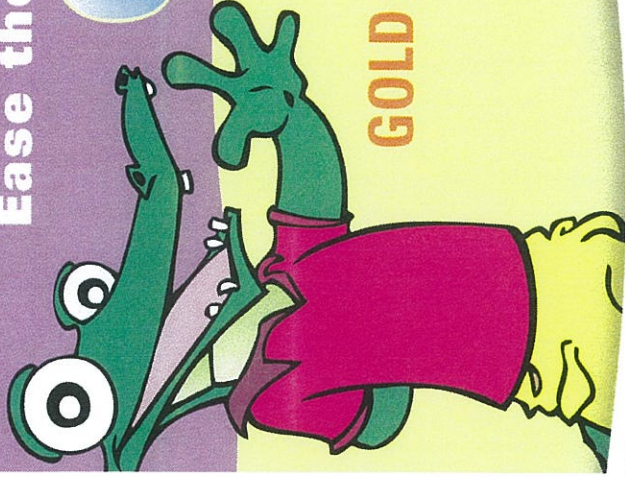
*"I can do all things through Him who strengthens me."*  
 Philippians 4:13

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# CAMP KROC!



**MARCH 16-20**

**GOLD \$100 / SILVER \$120 / NON-MEMBERS \$140**

**HOURS: 7AM-6PM AGES: 5-12**



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(602) 425-5000 • [krocphoenix.org](http://krocphoenix.org)

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Proverbs 22:6

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## GOP legislator pushes Arizona bill to relieve prison crowding

By Associated Press

Updated Feb 6, 2015 - 3:32 pm



(AP Photo)

PHOENIX -- A Republican state senator is pushing a bill to release thousands of non-violent inmates early in a bid to save money and ease pressure on crowded prisons.

Sen. Steve Pierce, R-Prescott, said the legislation would expand an existing Department of Corrections program to help prisoners transition into daily life with services including counseling, case management and substance-abuse treatment.

The bill comes at a time when Gov. Doug Ducey's executive budget calls for \$40 million for a new prison with 3,000 beds. Pierce said the size of the project could cost \$70 million per year.

Arizona housed more than 42,000 inmates last year, and the Department of Corrections expects to add nearly 1,000 prisoners per year through 2016.

During that time, the Department of Corrections released 943 inmates through its three-month transition program and saved nearly \$1 million, according to an annual report by the agency.

Senate Bill 1390 seeks to increase the number of inmates placed in the program to a minimum of 3,500 prisoners in the first year, and 5,000 in the second year. The program would serve low-risk, non-violent offenders and exclude those convicted of driving under the influence, sex offenses, arson or domestic violence.

Pierce said his bill would save the state money and avoid having to build another prison.

"We are spending an awful lot of money putting people and keeping people in jail that are non-violent criminals," he said. "I think more people need to be in treatment than in jail."

The program has already proven to reduce the rate of return offenders compared with the general population, Pierce said.

When asked if the bill would provide a cost-effective alternative to building a new prison, the governor's office said it had not yet reviewed the legislation.

Corrections Department spokesman Doug Nick said the agency is aware of the legislation and monitoring it as the bill moves through the Legislature, but did not provide further comment.