

November 25, 2024

On behalf of the Board of Directors, I am happy to share the following highlights from the November 25, 2024 meeting of the Board of Directors of Southern Arizona. This was a hybrid meeting and was conducted both in person and by Zoom. As per our bylaws, we did have a quorum to conduct business.

Pamela Traficanti
Board Secretary

Present in person: Terry Flores, Sheila Kressler Crowley, Pamela Traficanti, Nicholle, Zarkower, Carly Kaplan, Elaine Becherer, Arcianna Jimenez, Karen Riddle, Maggie Shafer

Present via Zoom: Anne McLain Whipple, Rukiya Higgins, Kabrina Lee, Yvette Marie Margaillan, Tanisha Price Johnson, Cheree Meeks, Pam Treadwell Rubin

Staff present: Kristen Hernandez, Melissa Tomlinson, MacGyver Tank, Elizabeth Locke Thomas, Timalee Nevels

Teresita Flores, Chair convened the meeting 5:00pm

Mission Moment: Pam Treadwell Rubin shared about her experiences as a mentor working with the AdVENTUREs program which just wrapped up the fall cohort.

CEO Update

Kristen Hernandez, CEO

Kristen shared about annual paperwork, background check and personal dashboards to be completed and returned to Timalee.

Kristen shared a brief update with the following highlights which also serve as an update to her goals for the year:

- Last week we hosted both cookie bakers as they gave full presentations as we were out for bid. The presentation was attended by current and incoming Board Chairs, Staff, and key volunteers. While both presentations were strong, ultimately, we have elected to stay with Little Brownie Bakers for the next contract period. There was high praise from both bakers for our council and our cookie program.
- We closed out our year in a strong position and we were looking forward to an ambitious strategic planning process. Then October hit with the proposition by GSUSA for a Membership Dues increase for both girls and adults. We are in the process of examining the issue at many levels and working to obtain answers to the many questions where details and answers have not been provided.

Generative Discussion

Kristen set the context and background for tonight's generative discussion about the current and future state with GSUSA's Membership Dues increase and how it will affect our Council, members and their families.

- Our current total of financial aid for membership, which goes directly to GSUSA, runs between \$50,000 and \$55,000 a year. This includes staff supported troops, traditional troops and Juliettes.
- Not only will we have girls who don't currently ask for financial assistance begin to feel that need, the members who already do receive financial assistance will need more assistance than they currently receive.
- Currently approximately 70% of our financial aid provided is going to staff supported troops and 30% to traditional troops. We expect that to move to something that looks like a 45/55 split.
- The amount, type, frequency, timing of promised assistance from GSUSA remains unknown.
- There are many lenses from which we need to view this challenge: marketing, technology, finances, membership retention, recruitment, strategic planning

- We were poised to begin a capital campaign to fund improvements on our two camp properties
- We were poised to begin strategic planning from a position of real strength
- We've been struggling philanthropically and need Board support
- We need creative solutions

Question-Do we have a good understanding of the trajectory and timeline of the price of future dues increases?
Speaker is very concerned that we are moving quickly toward being an exclusive organization.

Answer- This should hold for at least 5 years.

Question- Do we believe that membership is going to have an expectation of additional programming for their money?

Answer- Membership dues are truly just the entry point for access to the organization. It will be a challenge to communicate to our members effectively about this as most people would be expecting more for their money.

Question- It will be important to be able to speak positively about this change and what will come from it. Can we at this point, delineate any positives?

Answer- Directly, no. Indirectly, it will force us to be more creative and innovative.

The consensus was clear that more help from the Board is needed in the form of opening doors and making introductions and with taking events to the next level. The Fund Development team is delivering at a level not seen 10 years ago in this Council. They are tuned in and effective, but need assistance with reach and scale. We are a revenue generating organization and that hinders us somewhat in the philanthropy world. We are grateful for the support of our Directors in engaging their sphere of influence for the benefit of our girls.

CFO Report

Melissa Tomlinson, CFO

Melissa Tomlinson, Consulting CFO, reviewed highlights from the financials of end of month September and October 2024. These documents were thoroughly reviewed and approved by the Finance Committee last week.

September-

Our total revenue for the month was \$197,000 compared to \$166,000 budgeted. The driver here was that we got our growth incentive from the baker. On the expense side, we were very close to budget. We continue to share our status with our department leaders and monitor diligently.

For year end, our total revenue was \$3.35m. We ended under budget (net operating revenue) by 13%. As previously discussed, the tremendous success of the sale, resulted in a higher cost of goods sold than where we want to be and have adjusted the plan and the budget going forward.

We were a little off on our fund development goal, largely due to the timing of a foundation gift, which we will see, but not until the new fiscal year.

Our expenses came in at \$4.7 m, which is over budget by about \$294,000. About 1/3 of this was related to the training videos, but we also had some maintenance, occupancy and technology increases which account for the remainder of the gap.

We ended the year with \$478,000 in net revenue. The gains in investment income brought us to within \$50,000 of our budget for the year.

October-

Net revenue \$163,000 compared to budget of \$207,000. Fall sales were short of goal by about \$10,000. On the expense side we had a favorable variance of about \$24,000.

October was not a good month for investments, although our September was good. We had a net loss for the month with an unfavorable variance of about \$90,000.

Motion: Motion to approve the September and October 2024 financials as put forward by the Finance Committee. Motion by Sheila Kressler Crowley Second by Nicholle Zarkower **Motion Passes**

Consent agenda-

Motion to accept the consent agenda, which includes the dashboard, agenda and draft minutes from September 23, 2024. Motion by Nicholle Zarkower / Second by Karen Riddle.

Motion Passes

The meeting was adjourned at 6:19pm