

DISTRICT 10 AREA 82 PROPOSAL

To be discussed at the 2020 Service Weekend
Vote to take place at Area 82 Assembly 2020

PROPOSAL: Amend Area 82 Guidelines to read as follows:

(Under Section IX – Expenses) Area 82 provides an advance of funds to respective Area Officers and Committee members to fulfill their duties while performing Area business, as per the approved budget (page 13, Area 82 Guidelines).

In addition, Area 82 offers to pay an amount equal to or greater than the Delegate Fee for their General Service Delegate to attend and fulfill the duties at the General Service Conference in New York. In years when there are funds in excess of budgeted expenses and the Prudent Reserve, the payment shall be equal to the excess after allowance for adjustment of the Prudent Reserve.

REASON:

Area 82 has had more than \$5000 in past budgets at year-end. Despite budget surpluses, Area has paid only the Delegate Fee and GSO has paid the remainder. If Area 82 has enough money to cover more of the GSO Conference cost share, District 10 unanimously agrees Area 82 ought to pay a larger amount for our Delegate to fulfill his or her duties while attending the Conference.

District 10 moved and carried a motion to present this proposal to Area 82.

Yours In Sobriety,
Michelle Pierce, District 10 Secretary
On behalf of District 10

BACKGROUND INFORMATION:

We think that the following information will be helpful in promoting an informed group conscience as regards our proposal:

A. *How much does the Conference cost?* We looked at a letter from GSO's Chief Financial Officer, who estimated that the 2019 Conference cost was approximately \$1,140,000 US\$. GSO estimates that there are about 135 attendees – including the Area Delegates, the Trustees, the Directors and GSO Staff. So if we divide the total estimated cost (\$1,140,000) by the total attendees (135), we get the cost per participant, which is about \$8,400 US\$ for 2019. Here's what the cost per attendee looks like for the past few years:

2019 est	8,400	Manhattan (location)
2018	8,100	Manhattan
2017	5,500	Rye Brook
2016	7,400	Manhattan
2015	7,800	Manhattan
2014	5,800	Rye Brook

B. *What does GSO suggest we contribute?* GSO does not ask for the entire cost per person. When it writes to our Delegate, as it did in January 2020, it says that the Conference Fee is \$1,800 US\$ per Area. This amount was established at the General Service Conference in 2017, and was a raise of fee from \$1,600 to \$1,800. There are three points to notice here:

- The Conference Fee letter comes in January, just three months before the Conference. Our budget for the upcoming year must be planned and approved in October of the previous year, so we have to estimate the amount to budget. (We need to keep in mind that GSO reimburses the Delegate for his/her airline ticket. This is an expense of the Conference, and not an expense for Area 82.)
- The Conference Fee is stated in US Dollars. The exchange rate varies year to year. The Bank of Canada has averaged the 2019 exchange

rate at \$1.00 US = \$1.3269 Canadian. This means that the \$1,800 US Conference Fee amounts to approximately \$2,400 Canadian in 2019.

- The Conference Fee does not come close to covering the cost of the Conference. Even if all Areas in North America (93 of them per the 2019 Final Report) paid the \$1,800 Conference Fee, the amount paid would come to

$$93 \text{ Areas} \times 1,800 = \$167,400$$

And this represents only a small portion of the total cost – only about 15%.

The letter from GSO goes on to say that they appreciate voluntary contributions, and through Oct. 31, 2019, they had received approximately \$358,000 in Area Contributions and Additional Contributions toward the 2019 Conference. So we can see (since \$358,000 is greater than \$167,400) that some Areas DO contribute more than the Conference Fee. In 2019, Area 82 contributed \$2400, the Canadian equivalent of the Conference Fee.

C. Can Area 82 afford to contribute more? Up to and including the current estimated total remaining excess over the Prudent Reserve? At January 1, 2020, our Treasurer's email to all Districts showed that we had Canadian funds in the bank of

Operational Funds	5,656.12
Prudent Reserve	12,961.40
Upcoming Budget Reserve	<u>30,709.54</u>
Total on hand	49,327.06

The minutes from the 2019 Area Assembly say that the 2020 Budget was set at \$28,700. Subtracting shows us, in Canadian funds,

Total on hand	49,327.06
Less 2020 budget	<u>-28,700.00</u>
Excess above budget	20,627.06
Less Prudent Reserve	<u>-14,350.00</u>
Excess remaining	6,277.06

The Area Prudent Reserve is defined as one half of the amount of the current year's budget. Now we know that 2020 actual expenses will be less than budgeted expenses since few are travelling and officers' travel makes up a large part of the budget. And we need to have a prudent reserve against the next year's budget. But we need to be mindful of Concept XII, Warranty One, which warns us against the accumulation of too much money. Indeed, it says "no great excess of group contributions over legitimate operating expenses is ever likely to be seen."

We thank you for your thoughtful consideration of the District 10 proposal.