

JAN 15 1993

MINUTES
WORLD SERVICE OFFICE
BOARD OF DIRECTORS' MEETING
November 14, 15, 1992



Those present: Mary Kay Berger, Randy Jones, Bob Feneran, Bob MacFarlane, Chris Chambliss, Walter Johnson, Tim Banner, John Burnett, Tom Rush, Tom Logan, Ron Sheppard. Staff present: Joe Gossett, George Hollahan, Bob McDonough and Bob Stewart.

Mary Kay called the meeting to order with the Serenity Prayer. Mary Kay then asked for a review of the agenda and it was a consensus of the directors to modify the agenda in order to allow Rogan and Susan (PI Chair and Vice-Chair) to provide an update on the NA Video.

Susan gave a presentation noting that the production company selection process had been completed and that the NA Video committee was recommending Alternative Visions as the company to produce the video. Susan further noted that the video committee's liaisons to the production company would be Rogan and Kim (Trustee). It was also noted that there was no personal connection that could be construed as a conflict of interest between either Rogan or Kim and the principals or employees of Alternative Visions.

The board then indicated to the video committee that initial funding was available and that preparation of a contract between the WSO and Alternative Visions would begin immediately. There being no other questions about the NA video, Susan and Rogan excused themselves from the remainder of the meeting.

The board then resumed the order of the day and addressed a staffing status report. Joe noted that the recent replacement hired for order entry did not find the job acceptable and by mutual consent left after one week of employment. The search process was immediately reactivated, but some transitions delays are anticipated. The board expressed serious concern about the ability of the WSO to process literature orders and asked the executive director to give this matter his highest priority. Joe then committed to having all orders processed within the next five working days.

Joe then reported that the recruitment of a translation assistant had proved to be more time consuming than previously predicted, but that qualified candidates were being identified and that position should be filled by January 1. Joe also noted that a recruitment process for an *NA Way* editor was even more time consuming with anticipated starting date of March 1, 1993 for that position.

George Hollahan then gave the WSO Europe report. George noted that a computer update had been completed and that staff were acclimating well to their responsibilities. George also noted that January 31, 1993 delegates meeting should be attended by WSO representatives who are prepared to address potential questions about the creation of WSO Europe advisory board.

George also noted that meetings with the Swedish fellowship had confirmed a long term high demand for literature. There has been research about printing I.P.'s in Sweden, but the project proved to be financially infeasible at this time. George also noted that representatives of the German fellowship had also expressed the desire for local printing but also proved to be too expensive at this time. George then noted that at present, the primary focus of the WSO Europe is literature distribution with only minimal involvement in fellowship services.

George then reported on research into potential printing of literature in tax free zone of Panama, noting that this may prove to be an appropriate production site for production of literature for the South American Fellowship.

Bob Stewart then gave a production report noting that the WSO may change suppliers of key tags. Bob noted that the current supplier had not been able to produce the volume required by the WSO on an acceptable time-table and that an additional supplier has been identified. He further noted that the new supplier would provide product of comparable quality and cost, thus, this change should not affect WSO's income or the quality of key tags. It was also noted that the minutes had incorrectly reported the price of proofed medallions for bi-plating and that information would be updated and provided at the next meeting of the board.

When asked about staffing, Bob noted that shipping and receiving is one person short of an optimal staffing level. The current bottleneck remains in the order processing area rather than shipping, but once that is corrected, the need for additional shipping personnel would be heightened. Bob then noted that sales for *Just for Today* had been stronger than anticipated and had already reached the level projected for year end. Bob also noted that all copies of the limited edition of *Just for Today* have been sold.

Bob McDonough then gave a brief financial report including a review of receivables over 120 days old. Bob also noted that he was still compiling prime indicators and that they would be made available later in the board meeting. The board then requested a summary of cash receipts and cash disbursements as additional item of information to be provided at future board meetings. Bob also noted that reports of WSO Europe had been delayed by other priorities, but would be made available to the board as soon as they are compiled. Bob also noted that income for the month of October would be approximately \$270,000 compared to an average of previous Octobers of \$320,000. Bob also projected that, with the normal November and December sales pattern, the WSO would still finish the year in the black for the first time in three years.

Staff then noted that the historical WSO budget information was presented in materials made available to the board with detailed proposals for the 1993 budget which would be reviewed at the January meeting.

WCC then reported that they had a board meeting scheduled for December 5 and would thus have a more comprehensive report at the January meeting. The Board also requested that the WCC provide a written report to be included in materials made available to the directors prior to each board meeting.

Mary Kay then gave an Interim Committee report noting that the Interim Committee would be recommending a major change to the travel policy by recommending the establishment of a \$40.00 per day per diem to cover food, local transportation, parking and personal phone calls. While this is not anticipated to have a major overall impact on travel expenses, it will greatly simplify the reporting and accounting process associated with expense reimbursement.

The clean time count up program was revisited with the board's consensus that any financial request to the fellowship should be solely related to WSC's need for funding rather than tied to information gathering or other activities.

Mary Kay also noted that the concept of a world service new project moratorium to focus our energies on our primary responsibilities had been discussed and well received at the quarterly. Initial concern was expressed by many committee chairs at the quarterly, but further discussion revealed the need to reduce the volume of activities at the world service level to permit both trusted servants and special workers to focus on ongoing responsibilities without the necessity for major time to be devoted to project oriented activities. It was also noted that the Interim Committee had proposed a combined meeting of the World Service Board Steering Committee, the WSO Board of Directors Executive Committee, and Conference committee chairs to meet prior to the conference to more fully develop this concept.

The board then interviewed Robert L. Eichel, C.P.A. of Edwards Bichel and Beranek, as a candidate for employment as auditor of the WSO. After substantial discussion with the auditor, it was the consensus of the board that the employment of this auditing firm at \$10,000 a year for three years would be in the best interest of the WSO. While previous auditing expense had been approximately \$4,000 a year, the need for expanded auditing services justified the additional expense.

Ron Sheppard was then asked to give a WSC report and Ron noted that donations to the WSC were 11% down from last year's actual or 37% below this year's projected income. Ron further noted that direct donation discussion at the Quarterly had encouraged him to pursue funds from the fellowship by direct appeal.

The board then reviewed the litigation update provided on page 47 in book 1, noting that Greg Emmons' motion to vacate or enforce the consent order had been rendered moot as a result of action taken by the WSC to commit motion #8 without any attempt to take a vote on it. The summary also noted that the Judge had granted Emmons until February 15, 1993 to file a motion for substitution under rule #25. The Judge also noted that Emmons would need "a very strong case" to succeed in this motion for substitution. The board members were asked to read the report from our attorney in book 1, page 47-49 to obtain all information currently available. A word for word transcript of the October 1 status conference hearing is still awaiting completion by the court. Staff noted that this word for word transcript would be forwarded to all board members as soon as it became available in the office.

The board then considered communications from the fellowship. First discussing a request from the Free State Region to reconsider the decision to delete any of the events

previously published in the *Newsline*. After brief discussion, it was a consensus of the board to maintain their current *Newsline* editorial policy and communicate to the RSR of the Free State Region that WSO saw the *NA Way* as a more timely and efficient way of communicating regional events fellowship wide. The board also reviewed communication from Sally B., but noted that since this communication had been addressed to both the board of directors and the trustees, the board concluded that its content would be most appropriately addressed by trustees. The board then entered into discussion of the effectiveness of the dual member program. Tim Banner reported that serving in a role of a dual member offered advantages over that of a board of director liaison as he was able to fully function as both a trustee and a member of the board of directors. Further this experience had allowed him to consider board actions with a view toward their long range affect on all of World Services and the fellowship rather than just their immediate impact on a single board.

Discussion then revolved around the unrealistic time demands placed upon a person assuming the dual member position. During the discussion of this topic, Chairperson Mary Kay asked if there were any current board members who would be willing to serve in this capacity. After a brief review, it was determined that no current board members could make the time commitment required by this position. After further discussion, it was M/S/C (Randy Jones/Bob MacFarlane) "that the board of directors recommend not to continue the dual membership for the following two reasons: 1. We have not yet had adequate time to evaluate the benefit of two dual members because Chuck L. (Trustee) has only been able to attend one of three meetings. 2. The time requirement to complete this responsibility is unrealistic." The motion passed by a vote of 8 to 1.

The board then considered the response to the committed motion requiring attendance for election to the WSO or WCC Board of Directors. After brief discussion it was M/S/C (John Burnett/Randy Jones) "that we accept the report prepared by Tom Rush as the consensus of the board." The vote was unanimous.

The board then considered the committed motion requiring the direct election of the chair and vice chair of the WSO Board of Directors by the World Service Conference. After brief discussion, it was M/S/C (Randy Jones/Bob MacFarlane) "that we accept the report of Tim Banner as the consensus of the board." The vote was unanimous.

It was M/S/ (Randy Jones/Bob Feneran) "that we accept the auditing firm of Edwards ,Eichel, and Beranek as our auditing firm for the next three years." After brief discussion it was the consensus of the board to withhold action on this motion until other financial agenda items were addressed.

Mary Kay then noted that she asked Tom Logan to head up the development of the proposed sales policy for the consideration by the board of directors.

The board discussed the concept of notifying the regional and area-service offices of its intention to require compliance with existing sales policies. It was a consensus of the board that approximately six months notice should be provided after the exact policy was communicated. It was also discussed that discounts should be based on an annual ordering volume rather than single volume orders. A figure of \$120,000 total annual volume to

receive the 35% discount was discussed as an appropriate starting place to facilitate discussion. The staff was asked to prepare an analysis of the impact of this kind of approach for presentation at the January board meeting. A question was raised as to whether we had made a decision to continue our current approach (Services Offices) as the most appropriate way to distribute literature and it was noted while that decision had not been formally made, policy development would pursue that course. Other potential concepts mentioned included tying discounts to a payment schedule, offering additional discount for early payments or penalties for late payments. Question was also raised as to whether the policy of maintaining the minimum limit of 100 miles between regional service offices was still necessary.

Mary Kay then asked they executive committee and Tom Logan to further develop this approach to the sales policy and report back at the January board of directors meeting. Mary Kay also asked staff to develop first draft working papers for sales policies for fellowships outside of North America.

Since no final sales policies recommendations would be acted on at this meeting, it was M/S/C (John Burnett/Randy Jones) "that we extend our sales agreement with the UKSO until January 31, 1993." The motion passed 7 in favor, 1 against, and 1 abstention.

It was then noted that the communication from the Helsinki (Finland) fellowship would be addressed by the translation committee. George then noted the possibility of flying a representative of the German fellowship to the WSO to provide a final blueline signoff prior to the production of the German Basic Text. After brief discussion, it was M/S/C (Tim Banner/John Burnett) "that we sign the continuing sales agreement with the German fellowship effective until replaced by new sales policy and that we waive any annual fee associated with that agreement." The vote was unanimous.

The board then recessed for dinner for an hour and a half and reconvened to discuss the research proposal from the WSO senior editor. It was a consensus of the board that further staff review of this proposal should be completed before the board takes any further action on it.

The board then considered the fellowship intellectual property trust and after reviewing current revisions, it was M/S/C (John Burnett/Bob Feneran) "that the board of directors support the adoption of the fellowship intellectual property trust." The vote was unanimous. It was then M/S/C (Tim Banner/John Burnett) "that the board recommend the adoption of the fellowship intellectual property trust use policy." The vote was unanimous.

It was then noted that the trustees would be reviewing the trust and use policy in one week and, if they recommend major changes, a conference call will be convened to obtain board consensus in response to those changes.

The board then discussed the establishment of a retail price for *It Works, How and Why*. The staff present recommended a retail price of \$6.95 noting that the book would be shorter than the Basic Text and that recommended production standards would not be as expensive as production of the Basic Text. The board expressed concern that the price of \$6.95 did not adequately reflect the development costs associated with this work and

proceeded to discuss potential prices of \$8.80 or \$10.00. After further discussion, it was M/S/C (Randy Jones/John Burnett) "that we establish the retail price of *It Works, How and Why* at \$8.80." The vote was unanimous.

Walter Johnson then gave a business plan report noting that the full business plan ad hoc committee had met and had reorganized the presentation of the business plan into the following five categories: Sales and Marketing, Human Services, Facilities and Technology, Financial and Administration. Walter further commented that each of these five areas would be approached with the following format: 1. Current practice, 2. Issues, 3. Goals and Objectives, 4. Methodology, 5. Evaluation process. Staff then noted that 1993 WSO recommended operational plan would be available for discussion at the January board meeting.

The board then considered communication from the New England Region requesting debt relief. After substantial discussion, it was a consensus of the board that it would not be appropriate to grant a region forgiveness of a debt to the office. Any decisions on how to address outstanding debts were most appropriately addressed at the regional level.

It was then noted that WSO had written off debts for UK region and Australian region in the past and that this information was available to the fellowship. It was then pointed out that "write-off" was an accounting procedure to accurately reflect realistic collectibles rather than a formal dismissal of responsibility to pay outstanding debts. Further the board still considered the debts of the UKSO and the FSO to be ongoing obligations of those offices. With the benefit of this discussion, Mary Kay agreed to respond to New England's request by thanking them for their payments to date and communicating that future payment activities would be the responsibility of the local region.

The board then considered the potential production of a multi-lingual medallion with the NA symbol and the number of years indicated, but without any other narrative copy. After brief discussion, it was a consensus of the board to produce approximately 100 of these medallions to be circulated to the leadership of the regions outside of the U.S. to obtain feedback as to whether they were appropriate for use in non English speaking fellowships.

It was then M/S/C (Bob Feneran/Randy Jones) "that we reconsider the development of product line using the home group cartoon strip from the *NA Way Magazine* featuring Slugg." After brief discussion, a vote was taken by a vote of five in favor and 3 opposed. Since this vote lacked the 2/3 necessary to reconsider the previous motion, a decision was made to reach an area of agreement which could be accepted by the Board. Some directors questioned whether it was appropriate to produce materials featuring home group characters including Slugg as this could be perceived as less than a positive image for the fellowship. After further discussion, the board agreed to test market a small quantity of two separate designs of mugs. One featuring the characterization of Slugg, the other mug featuring the *NA Way Magazine* logo. The samples would then be made available at regional conventions to obtain fellowship response. Consensus also developed to continue the design process on a home group based calendar for review at the January meeting but that no 1993 home group based calendars should be produced at this time.

The board then considered an issue to be discussed at the upcoming WCC Board of Directors' meeting concerning changing the scheduling of World Conventions to every other year rather than every year. It was noted that the WCC board may recommend placing a motion in the CAR to the effect that beginning with the 1995 convention that the World Convention be held every other year i.e., 1995, 1997 etc. Intent: To decrease costs and insure that the WCC be better prepared for a celebration of recovery. After further discussion, the board of directors agreed to support such a motion if it was recommended by the WCC board. There was then a motion by John Burnett "that the board of directors recommend to the WCC that it consider scheduling the WCC during the summer months rather than labor day weekend. Intent: that future world conventions be held during the traditional summer vacation period so that more persons (students and employed persons) could use their vacation to attend the WCC." The motion died for lack of a second.

It was then noted by John Burnett the difficulties faced by tape review committee in obtaining a 3/4 majority to approve a speaker tape for inclusion in WSO's inventory. He noted that most recently seven tapes, which had received an overwhelming vote of approval from other panels, only received a 2/3 majority, but that none had received a 75% majority approval by final review panel. After further discussion, it was M/S/C (John Burnett/Tim Banner/ "to change the required approval vote from 3/4 to 2/3 of the final review panel." The motion passed with a vote of 6 in favor and one opposed.

The board then discussed quality control concerns in the production of bi-plated medallions. Before changing bi-plated production process, the board requested that staff provide samples of "proof-like" and "proof" coins for the board of directors to view at the January meeting.

The board then considered an Interim Committee proposal under discussion to recommend an inventory moratorium to refocus world services energies and resources on ongoing service responsibilities rather than the creation of new projects. After brief discussion, it was M/S/C (Bob MacFarlane/Tim Banner) "to support the concept proposed by the Interim Committee to not initiate any new projects at the WSC 1993." The vote was unanimous.

The board then considered potential board of directors' meeting dates for 1993 and developed the following list. January 15, 16 and 17, March 13 and 14, (possibly in Atlanta), meetings as necessary at WSC 1993 April 25-May 1, June 11, 12 and 13, August 14 and 15, October 23 and 24. The board also asked that staff obtain cost information on having the March meeting in Atlanta and report back at the January board meeting.

The board then considered the adoption of 1993 annual cost of living adjustment and an establishment of a 1993 merit pool for salary adjustments. After brief discussion, it was a M/S/C (John Burnett/Bob MacFarlane) "cost of living adjustment be established at 3% and the merit pool be established at 3%. The motion passed 7 in favor, none opposed, and 1 abstention.

The board then considered final action on the NA video and after brief discussion, it was M/S/C (John Burnett/Tim Banner) "the WSO enter into a contractual arrangement to produce a video with Alternative Visions production company recommended by the NA

video committee." The vote was unanimous. It was then agreed that the Executive Committee and Tom Logan would review the contract proposed by WSO's attorney and make such changes as necessary to accomplish the proposed project.

It was then M/S/C (Walter Johnson/Bob Feneran) "that the board approve one or two staff people and Tim Banner to travel to European delegates meeting January 31, 1993, if sufficient funds were available." The vote was unanimous.

The board then agreed to have a full board conference call meeting to address the issue of leasing a new WSO office building at 6901 Woodley in Van Nuys. The board had plans to seek input from trustees and factor the input into a final decision reached over the call.

It was then M/S/C (Tim Banner/Randy Jones) "that we hire the audit firm of Edwards, Eichel and Beranek." The motion passed by five in favor and two opposed and one abstention.

The board then mutually agreed to further review the proposed WSO employee retirement program and WSO staff development program presented and take action on those in conjunction with the adoption of the 1993 annual budget.

There being no other items to come before the board of directors, the meeting stood adjourned.