

Pacific Regional Trustee Report: BOARD WEEKEND

October 2010

Rod B.

Greetings to the Pacific Region,

I hope you and your loved ones had a wonderful Thanksgiving and wishing you a wonderful Xmas and New Years. It has been a great pleasure going to the different areas this fall and helping with the elections.

The hospitality was awesome and I truly felt like a home group member wherever I went. I am so impressed with our trusted servants in the Pacific Region and the delegates have just been amazing. It is easy to see why your respective areas elected you into your positions. I have come to believe that one of the reasons our delegates are so amazing and awesome is because they are a reflection of their areas. They mirror the goodness of their areas and reflect the loving way the fellowship carries the message through the areas. I am blessed to witness and be a part of this process. I am looking forward to visiting with the rest of the Pacific Region next year. Thank you AA, thank you Pacific Region and thanks to my Higher Power.

AA World Services:

The 21st World Services meeting was held in Mexico City, Mexico in October 53 delegates from 32 countries attended. The GSO office welcomed 1291 visitors during the first nine months of 2010.

Publications:

Total distribution of all books for the nine-month period ended 9/30/10 was 1,303,084; the number of units for the same period last year was 1,840,849. The nine-month total of AA purchases amounted to 1,101,836 units while non-AA purchases accounted for 201,248 units or 18% of total units distributed through the end of September. In 2009, non-AA purchases represented 30.6% of total units distributed as the result of large non-AA orders received prior to the July 1, 2009 price increase. In 2007 and 2008, non-AA purchases represented 19% of total units distributed; this difference of 19% versus 30.6% is due to the price increase.

Big Book Sales (all editions):

Through September 2010, 672,524 units of all Big Book editions were sold compared to 1,040,063 units sold during the same period last year. 70% of our purchasers for the Big Book are Central Offices and Intergroups, sales will be followed to see if their inventory levels that may have been overstocked are now being increased due to additional purchases they made prior to the July 2009 price increase.

Gross Sales:

Gross sales for the month of September 2010 were \$1,071,57, which was 3.24% less than budgeted sales of \$1,107,410 and 27% higher than actual gross sales of \$871,162 in September 2009. Gross sales for the nine-month period ending September were budgeted at \$10,818,540. Actual sales, unaudited, came in at \$9,529,879, which was 11.82% under budget. For the same period last year, gross sales were \$11,085,091.

Other Subjects:

The General Service Conference as well as all Board meetings are contracted to be held at the Crowne Plaza Times Square, Manhattan, NY. At the October Board meeting, the general manager proposed a plan to hold the 2012 General Service Conference at the Rye Hilton Town at a cost savings of approximately \$160,000. The AAWS Board recommended to the General Service Board that the 2012 Conference be at the Hilton Rye Town in Rye Brook, NY. The Crown Plaza Times Square would continue to be available for General Service Board meetings in 2012.

General Service Conference Trustee's Committee:

The following changes will be implemented for the 61st General Service Conference:

- a. The Conference will begin on Sunday morning.
- b. The trip scheduled to GSO/Grapevine offices on Tuesday is scheduled for every other year, alternating with the visit to Stepping Stones on Saturday. In 2011 Conference members will visit the GSO/Grapevine offices.
- c. The Remote Communities Meeting, which is not part of the General Service Conference week agenda will meet on Saturday.
- d. Committee reports begin on Wednesday afternoon rather than Wednesday evening.
- e. A revised floor action procedure has been implemented.
- f. A full Archives presentation will be scheduled every other year.
- g. A presentation/discussion topic is scheduled for the Sunday afternoon session.

The committee recommended to the Conference Committee on Agenda that the number of presentations/discussion topics be reduced for the 2012 GSC. The committee discussed a suggestion to prioritize agenda items and took no action, feeling that each committee is autonomous and is able to address proposed agenda items.

Trustee's Committee on Corrections:

The committee agreed to forward to the Conference committee on Corrections that the publications department add references to the Big Book in "AA in Correctional Facilities Pamphlet including a section describing Big Book studies as a possible meeting format. The committee reviewed the progress report on the pamphlet "it sure beats sitting in a cell"; the subcommittee will continue working with the publications department and report back to the committee in January 2011. The committee reviewed a request from an area to create a piece of literature for the young incarcerated alcoholic and tabled this till the January 2011 meeting, asking the staff person to contact the delegate for clarification on the specific concerns referred to in the delegate's correspondence.

Trustee's Committee on Public Information:

The committee received an oral report from the subcommittee developing a policy regarding showing the full faces of actors portraying AA members in Conference approved visual media. A final report will be submitted at the January 2011 meeting. The committee reviewed and discussed the draft text of the pamphlet "Understanding Anonymity" and will return in January 2011 with a revised text.

The committee agreed to let West Glen Communications in New York distribute and track the PSA "My World" at a cost not to exceed \$35,000.

The committee agreed to forward to the 2011 Conference Committee on PI the recommendation that the 2011 AA membership survey be conducted.

Trustee's International Committee:

A trip report (October 1-3) to New Zealand to observe their General Service Conference was given by Ward E. and Phyllis H. It was reported that this was the first time New Zealand's General Service Board met as part of their GSC. Ward reported that they were invited to share at several AA groups around the country describing how welcoming and excited the group members were wherever they attended a meeting.

The 21st World Service Meeting (October 17-21) occurred, a brief account was presented including that the WSM is extremely valuable to AA around the world and must be continued to be supported by the GSB of the US and Canada. Many countries appear to take away a sense of community, a feeling that they are part of a larger whole. Many countries appear ready to trust their own experiences and draw on the experiences of more adult service structures such as Great Britain and Australia.

Trustee's Committee on CPC/TF/Special Needs-Accessibilities:

The committee approved the additional expenditure for a Grapevine issue to be added to the Special Needs Accessibilities Kit. The committee agreed that two forms (one for treatment clients and one for AA members willing to be temporary contacts) be changed so that they can be used in the US and Canada.

The subcommittee on the Recovery Pamphlet for Alcoholics with special needs selected 11 stories from 42 submissions to be included in the draft pamphlet. 3 of the 11 were of AA members having a disability after sobriety. The committee will review the revised pamphlet in January 2011.

The subcommittee on a service piece for carrying AA message into treatment settings for those with mental illnesses submitted a status report and will submit a written report at the January 2011 board meeting.

The committee reviewed the follow up letter to professionals and asked the secretary to revise the letter incorporating the committees' suggestions. The committee reviewed the current "about AA" postal card and requested the staff add an option on the card that invites professionals to request contact from local committees.

The committee heard an oral report from staff on the sharing received to date on one-on-one contact with professionals. Staff will continue to compile shared experience on this topic and report to the committee.

The service piece "Information on AA" will be revised. The words "drying out" will be replaced with the words "detox, rehabilitation" in the section "What AA does not do"

Trustee's Committee on International Conventions/Regional Forums:

In August, 823 members attended the Pacific Regional Forum held in Torrance, CA. Simultaneous translation was provided for about 150 Spanish-speaking participants. There were 591 first time Forum attendees. Mailings were sent to the appropriate delegates for the 2014 Regional Forums in those areas. A suggestion was included that asks for areas to consider meeting spaces such as schools, community centers, universities, etc. This was added due to rising costs in hotel meeting space. Additionally a mailing was sent to all delegates, regional trustees, and local intergroup/central offices.

International conventions: In September, Don M. and Eva S. traveled to Atlanta, Georgia and met with Gregg Talley from the Talley Management Group to visit the

campus where the 2015 International Convention will be held July 2-5. The committee noted that Gregg Talley was the site selection consultant in 2002-2003 during the site selection process for the 2015 International when Atlanta was selected by the GSB.

Financial report on the 2010 International Convention: The unaudited financial results of the 2010 International Convention, noting that the convention had a profit of \$858,910.

The committee recommended to the GSB that Al-Anon be invited to participate in AA's International Convention in 2015 in Atlanta, Georgia. Al-Anon's participation will be based on their participation in the 2010, 2005 and 2000 Internationals.

Trustee's Literature Committee:

The subcommittee presented a report on the revision of the pamphlet "The AA Member-Medications & Other Drugs" and the committee asked that a final draft be brought back at the January 2011 meeting.

The subcommittee presented a report on the development of new literature focused on spirituality. The committee agreed to request stories from the fellowship that reflect a wide range of spiritual experiences of AA members. This announcement for stories appears in Box 459 winter issue 2010. The subcommittee will continue to work on the development of the pamphlet and bring back a progress report to the committee in January 2011.

The subcommittee presented a progress report on the pamphlet "AA and the Armed Services" and agreed to request stories from AA members who got sober during or after active duty in the armed services. This announcement appeared in the Box 459 winter issue 2011. The subcommittee will continue to work on the revision of the pamphlet and report back to the committee in January 2011.

The committee reviewed a report from the publications department on editing suggestions for revisions to the "Living Sober" booklet. The committee thanked the publications department for their suggestions, suggested several more and asked that revised draft be brought back to the committee at the January 2011 Board meeting.

The committee discussed and appreciated a request to add an index to the Big Book and took no action. The committee felt that "AA is a program of self-diagnosis, self-motivation and self-action. It is preferable that the individual member or prospect interpret the literature according to his/her own point of view."

The committee discussed a request to change the word "traditionally" on page 13 of the pamphlet "The Group" and agreed to take no action. The committee appreciated the suggestion but noted that this does not appear to be a widely expressed need. The committee suggested that the request be kept on file for future possible revision.

The committee reviewed a request to review the process for development of the publication, "This is your General Service Office" and the role of the General Service Conference in this process. The committee agreed to seek guidance from the GSC before development of the new publication. The committee asked that the concept of this process or similar publication be prepared for review at the January 2011 meeting.

The committee considered a request from the Grapevine Board to add mention of the Grapevine at the bottom of page 576 in the Big Book and asked the publications department to provide options for including Grapevine information to the page for review at the next meeting.

The committee decided that placing mention on the Big Book cover jacket would not be in context because the cover jacket describes the history of the development of the Fourth Edition of the Big Book.

The committee considered a request from an AA group to cease efforts in fulfilling the 2010 Conference Advisory Action to develop literature, which focuses on spirituality and took no action. The committee appreciated the request but noted the committee has begun the process of implementing the 2010 Conference recommendation to develop literature on spirituality and bring a draft or progress report to the 2011 committee. The committee will make all communications related to this project available to the subcommittee.

Trustee's Archives Committee:

The Archivist's report included updates on data migration and database maintenance, document preservation and catalog development. The total number of requests for information handled by the Archives staff surpassed last years total.

The committee reviewed a list of "classified" and restricted materials from public examination, which are in physical and legal custody of GSO Archives. The current policy was developed 25 years ago and has expired. The archivist shared that the policy is inadequate and not consistent with professional practices. A subcommittee was formed to respond to these factors and will report back in January 2011 meeting.

Subcommittee on revision of "Role of the Archives Committee" provided a progress report to date and will present either a draft or progress report at the January 2011 meeting.

The committee had a thorough discussion on the proposal to establish a Conference Archives Committee and agreed to take no action. The committee noted that more time might be needed for the Conference committee on Archives to conduct its business during the GSC week. It was suggested that the Conference Committee on Archives meet outside the time allotted for their Joint Committee Meeting to the trustees' Committee on Conference.

Trustee's Committee on Nominating:

The committee reviewed the factors of allowing the same person to be submitted as candidate for both Regional Trustee and Trustee-at-Large at the same Conference. The committee agreed to take no action noting that the process works sufficiently well. The trustees (2 Regional Trustees and the Trustee-at-Large) affected by this who are currently serving stated that this did not seem to be an issue in their regions.

The subcommittee on class A recruitment was asked to expand their scope to include the possibility of a change in regional trustee rotation and the possibility of Class A vacancies.

A subcommittee was formed to review Nominating Procedure No. 9 "Guidelines for hiring the General Manager, GSO; The General Service Board Chairperson selection process; and Nominating Procedure No. 10 "Guidelines for hiring Grapevine Executive Editor."

Another subcommittee was formed to review the Diversity Statement found in Nominating Procedures No. 2, 4, 11 and 12 and to review a suggestion to create a position of Alternate Trustee.

The committee recommended to the GSB that Donald C. serve as a Trustee Director for a two-year term on AA Grapevine, Inc. following the 2011 Conference to succeed Ken Brueggemann.

The committee recommended to the GSB that Rod B. serve as Trustee Director for a two-year term on AA World Services, Inc. following the 2011 Conference, to succeed Vic P.

AA Grapevine, Inc.:

For the nine months ended 9/30/10 the Grapevine Corp. realized a net loss of \$274,246 in comparison to a budgeted loss of \$194,966, which is \$79,280 behind budget. Total income including Reserve Fund interest

was \$1,440,224 or \$76,501 behind budget. Total expenses were \$1,714,470 or \$2,779 over budget.

Income for La Viña was \$79,334 or \$2,284 over budget. Circulation averages 8,803 for the nine months ended 9/30/10. Direct costs were \$51,610, Gross profit was \$27,724.

Other publishing income is \$23,395 or \$517 over budget.

Net loss for the nine months ended 9/30/10 is \$47,320.

The Controller's report stated that prepaid subscriptions at 9/30/10 are \$1,877,321. The cash balance at 9/30/10 is \$136,548. Jan 1, 2010 thru Oct 27, 2010 the Grapevine has taken a total of \$488,000 from the Reserve Fund.

The managing editor reported on the status of strategic plan initiative. Recent issues of the Grapevine focused on the "Family Reunion" Aug, 2010, "Special Needs" Sept 2010, "Anonymity" Oct 2010.

Recent publications include the book "Spiritual Awakenings II", which came out in September.

Web traffic was up significantly during the summer, perhaps due to interest generated from the International Convention. The web site prelaunch is in progress and on schedule.

The La Viña Sept/Oct issue focused on "Our Literature", the Nov/Dec issue features "Family Before and After", the 68 page black and white perfect bound issue will debut in January 2010 with a special section featuring stories about spiritual awakenings.

Other Board actions included

- agreeing that management could spend up to \$19,000 on computer equipment;
- the AAGV board approved the establishment of a cross link from the AAGV and La Viña website to the aa.org publications list;
- requested that the AAGV Chair follow up with the AAWS chair to pursue the implementation of a cross link between the aa.org publications list and the GV/La Viña subscriptions on the AAGV web site;
- approved moving forward with a Digital Edition of Grapevine and La Viña;
- approved the proposal to publish a "Step by Step" (working title) book in September 2011;
- approved revised bundling pricing to \$10, \$15, and \$20 discounts for a limited time only;
- approved new pricing on 50 packs at \$55 effective January 1, 2010;

- approved policy change for Digital Archive aging one year to a maximum of 90 days;
- approved moving forward with E-book editions of the Grapevine and La Viña books in downloadable PDF formats at the same price as the book, fulfilled through a third party;
- agreed to forward memo to the Trustee's Literature Committee asking that information in the pamphlet "The AA Grapevine and La Viña Our Meetings in Print" be updated; and
- appointed Owen J. Flanagan and Co. as the independent auditor to AA Grapevine, Inc. for the year 2011.

The Grapevine Board selected Ami B. as the new Grapevine Executive Editor/Publisher. Ami was selected from about 120 applicants, she begins her career with the Grapevine as of November 8, 2010. Ami has a Masters of International Business Management degree, a Bachelor of Science degree in Hispanic Civilization, she is fluent in Spanish. Ami's most recent position was as CEO of the Art Directors Club and Executive Director of the Clio Awards. She has an extensive background in advertising and publishing, both in print and on the Web. Her duties include responsibility for publishing the Grapevine and La Viña and their related products. She will attend the Southeast Regional Forum in December, getting right into interaction with the Fellowship. We of thugs and the Pacific Region welcome Ami and look forward to many years of progress in our mission to publish the international journal of AA.

Trustee's Finance and Budgetary Committee:

- Net literature sales were \$9,326,100 or 11.6% less than budgeted;
- Gross profit from literature sales was \$6,054,400 compared with the budgeted amount of \$6,332,800 and \$6,620,300 from last year;
- Contributions of \$4,511,400 were 2.3% more than budgeted and 3.2% greater than last year;
- total revenue was \$10,566,500 or 1.6% less than budgeted or 3.9% less than last year;
- total operating expenses of \$9,649,200 or 3.2% less than budgeted.
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in summary total revenue for the nine months ended 9/30/10 was \$10,566,486 against which we incurred total expenses of \$9,649,215, leaving an excess of revenue over expenses of \$917,271.

Current expectations are that sales will remain under budget and contributions will be slightly ahead of budget. Conservative budget indicates sales even with the current year-end projections with net income for 2011 of approximately \$300,000.

AAWS is continuing to develop a project concerning E-Publishing - online sales functions, cost at approximately \$450,000 range, which may require cash from the Reserve Fund depending on actual costs, 2011 profits and the timing of the project.

Each trustees committee will review budget information for inclusion in the ongoing budget process.

The committee reviewed and received the Grapevine financial results.

- Paid circulation for the Grapevine was 93,100 copies, compared with 92,000 budgeted and compared to 102,500 copies last year.
- Gross profit from the magazine of \$1,019,480 is \$85,371 greater than last year but \$21,537 less than budgeted.
- Total costs and expenses of the magazine of \$1,714,470, approximately \$246,923 greater than last year. The loss from operations for a nine-month period was \$274,245. The projected Grapevine deficit for 2011 will approach \$380,000.
- La Viña incurred a \$47,320 loss for the nine-month period, which was \$17,487 less than budget and \$10,540 more than last year.
- The circulation was 8,760 or 810 copies less than last year.
- The Reserve Fund balance on 9/30/10 is \$12,065,500.
- After deduction accrued pension costs the Reserve Fund balance stands at \$5,803,115.

The fund is currently earning 2% and represents approximately nine and a half months of combined operating expenses.

The committee received a report from the Reserve Fund Subcommittee and accepted the report with minor modifications as follows:

1. That the net amount of Assets and Liabilities of the pension plan that is now reported in the Reserve Fund column be reported in a separate column on financial statements.
2. That the Operating Corporations review the volatility of current investment philosophy followed by the Investment Managers as directed by the AAWS and AAGV Employee Retirement Committee to review if less volatile options are practical based on costs.
3. That the Corporations consider the broader risk to the organizations concerning contribution and a shift in print media in the digital age.

Discussion concerning an example of suggested changes to the pie charts section of the pamphlet "Self Support: where money and spirituality mix" was deferred to the January meeting.

The committee approved a recommendation to the GSB that additional drawdowns by the Grapevine from the Reserve Fund be approved in the amount not to exceed \$200,000 for the period 9/30/10 to 1/31/11.

The committee approved a recommendation that the Chair set up an ad hoc committee to oversee the development of cash flow Statement from the Grapevine with projections by month for 3 years, to monitor projected cash balances and to oversee remedial activities that bring an end to the negative cash balances and consequent Reserve Fund draw downs as soon as possible.

I am grateful to be of service to Alcoholics Anonymous and all the blessings that come from that service. At each election assembly as the new delegate was elected, each area thanked the outgoing delegate with so much love, it was impossible not to be emotional. It is that spirit of attraction that I believe each of us cherishes and wishes for the newcomer, your efforts help to bring this about.

Take Care, Happy Holidays and God Bless,
Rod B.
Pacific Regional Trustee