

MEMO

Attachment E



Date: April 18, 2019

To: Board of Directors

From: Roni Luckenbill, CEO

Subject: Comprehensive Campaign Funding

At the April board meeting, I would like to ask the board to consider the allocation of \$1 million from our asset replacement fund to our comprehensive capital campaign. The fund, at year end, showed a balance of \$4,864,336. This allocation would “seed” the campaign and allow for the construction of our first building project, beginning with a lodge at Camp Stonybrook as soon as camp is closed in late summer. Beginning at that time will ensure that the construction is completed by the time the next camp season begins and provide construction and rendering drawings of the building for prospective donors.

Background Information: In June 2011, the board approved the recommendation of the 2011 Camp Property Task Group, including recommending the sale of three of our camps (Ladigrau, Greene, and Myeerah), classified as Tier 3, and based on camp usage and overall condition. By 2014, all three camps had been sold as follows and net proceeds was **\$2,097,224:**

1. Camp Myeerah was sold to the Bellefontaine Joint Recreation District under a conservation easement that was facilitated by the Trust for Public Land – Ohio, using Clean Ohio funds. The agreed upon sale price was \$1,385,250, minus ten percent to be paid to the Trust for Public Lands, which left a net sale price of **\$1,246,725**.
2. Camp Greene was sold to the Glen Helen Association through Clean Ohio funding for the sale price of **\$400,500**. As part of this sale, we agreed to set aside some specific opportunities for Girl Scout usage of the property.
3. Camp Ladigrau was sold to a private buyer, through an online auction, for a sale price of **\$449,999**.

Our asset replacement fund policy states:

2.4.5: “The CEO shall not plan an asset replacement fund that is less than \$4 million. This policy shall be evaluated any time that the fund is projected to fall below \$4 million or at least biennially to determine if the funding is adequate, but not excessive, to meet its stated purpose in relationship to current Ends priorities.”

This fund is the board’s own policy and the board can acknowledge that it is out of compliance. You may remember that, prior to changing from a percentage of accumulated depreciation to a flat rate of \$4 million, we were out of compliance and reported it to the board annually. Most nonprofits do not have an asset replacement fund, so this is not something that will cause alarm by our national organization or other entity. Being out of compliance for a year will not be harmful.

Rationale:

1. When we sold the three camps, we communicated to the public, as well as our volunteers, that we would invest the proceeds of the sales into our remaining camp properties. We used approximately \$800,000 for improvements at Camp Woodhaven in the past 18 months, as well as \$200,000 to upgrade technology. This additional allocation would allow us to put the rest of the proceeds back into camp development and program for girls.
2. We will be raising the cookie price to \$5.00 next year, which will provide us with surplus funds to put back in our asset replacement fund, as well as (most likely) fund the operating reserve and/or the pension liability fund. Our first priority will be to ensure that the asset replacement fund is increased to meet the requirements of our asset replacement fund policy.
3. Using these resources to fund a portion of the campaign will send a message to our donors and the community that we are willing to invest in our own project. Some of our current board members and donors have asked if having so much money in reserves will hamper our ability to raise the funds we need. This move will allow us to spend down our reserves a little, while still maintaining what is needed to meet our charter requirements.

If the board is in agreement, I would suggest the following motion:

That the board allocate \$1 million from our asset replacement fund to be designated to the comprehensive campaign for camp improvements to begin construction of the Camp Stonybrook lodge.

Thank you for consideration of this request.

