

## Amendment to ZAH Membership Rates

### **Proposal to Revise/Increase ZAH Membership Rates beginning from January 1<sup>st</sup>, 2024**

**Proposed by** – Percy Katrak on behalf of the ZAH Executive Committee, residing at 16811 Sandestine Drive, Houston, TX 77095.

**Seconded by** – Khursheed Dastur, Kershaw Khumbatta, Nikita Gagrat, Farokh Billimoria, Jasmine Mistry, Khursheed Hormuzdi, Nazanin Sarkari and Arnavaz Sethna.

#### **Introduction:**

Since the advent of COVID-19 in 2020, all of us have experienced a tremendous surge with astronomical increase in prices/rates of commodities and essentials due to various reasons including supply chain issues, recession, inflation, job losses, etc., and ZAH is no exception. We have been subjected to increase in costs across all operating expenses including utilities. This is inflicting a huge burden on our operating revenue as there is no comparable simultaneous increase in either our membership rates or general donations to cover those increasing costs each year.

Hence the ZAH Executive Committee proposes a rational and logical increase in our membership rates in some major categories to narrow the gap between our yearly operating expenses and the membership revenue that is currently widening with every passing year.

#### **ZAH – A Treasure trove and a blessing**

We are indeed blessed and privileged to have such a vibrant community that has always been at the forefront and a beacon in the North American Zarathushti diaspora. This has always been possible with the astute leadership and visionary thinking of our past and present community leaders and members.

We are indeed very lucky to have such a beautiful facility for our kids and us, where we can congregate on every Zarathushti occasion/festival, conduct Sunday school classes, network and above all have fun with our fellow Zarathushtis. To top that, recently we received a beautiful gift in the form of an Atash Kadeh from the Bhandara family. It is the first of its kind in North America where we can offer our prayers in a serene tranquil environment and our kids can experience the sanctity of an Atash Dadgah/Agiary which they have seldom (or never) seen before. Some of the other key benefits of being a member at ZAH are as under:

- Members can have access to the Gate and ZHCC building 24X7 with a Fob
- Access to the ZAH/Bhandara Atash Kadeh with the ZAH Fob for members
- Members can avail of our ZHCC building facilities for any family functions/events at member rental rates significantly lower than non-member rates
- Subsidized member rates for ZAH functions/events for the entire family as well as out of town guests
- Can check out books from our ZAH Library, an envy of other associations in North America that has an online catalog containing over 1,300 books and visual media

## **Why are we doing this?**

As we know, there is no such thing as “free lunch” and with it comes the behemoth burden called “operating expenses” that we need to manage to keep both our buildings, our invaluable assets in great shape.

To give all our members a perspective of our rationale to propose the rate increase here are some reasons and pertinent facts to illustrate the need:

- There has been no membership rate increase for the past 12-13 years.
- Our Membership Revenue is about 35% to 37% of our Operating Expenses each year. Besides this, for the past 10-12 years our membership is experiencing rapidly changing demographics and we see a considerable shift of the “Family member” category into the “Senior member” category, which means that we lose \$210 with every membership change.
- We conducted an analysis regarding the shift and here are the numbers for the two major categories:
  - Year 2013 – the Family membership count was 94 and Senior membership count was 64. Almost 10 years later, in 2022, the Family membership decreased to 74 whereas the Senior membership increased to 80.
  - With the aging ZAH population, our membership revenue is declining and dropped from \$40,875 in 2019 to \$35,610 in 2022
- Our Operating Expenses are increasing as our facilities are getting older and we cover that shortfall by other sources like donations, fundraising, events income, rentals, etc. although they are all variable in nature and cannot be forecasted.
- As an example, the increase in Insurance rates from Year 2021 to Year 2022 has been a phenomenal 88%, our water and electricity bills for Year 2022 have increased by 45% and 40% respectively from the year before.
- Repairs and maintenance costs for ZAH is currently between \$21,000-\$25,000 a year and will keep increasing as the facilities get older.
- With the construction of the Atash Kadeh our assets have grown manifold (value of 3.7+ million for both our buildings) and so have the operating costs to manage them. This requires a robust corpus to sustain the burden this exerts on our financial resources.
- Our ZHCC building is now 25 years old and expensive repairs and replacement needs have started creeping in (example – replacement of air conditioners)
- Since the last rate increase, expansion of our facilities has led to additional costs for utilities and other expenses

## **How do we propose to implement?**

We have had a lot of deliberations within our Executive Committee and with some prominent ZAH Community members and have concluded that an increase in our membership rates is imminent and very much needed beginning from the next financial year (2024).

Although, having said that, we need to be very cognizant that the increase in rates will in no way, shape, or form, fulfill the entire shortfall that we currently experience, but give us some much-needed relief. We will present all the necessary details and suggestions at the AGM on March

19<sup>th</sup> but to give you all an idea, we had about 214 memberships in the year 2022 and if we make the proposed changes, we will have an increased membership revenue of approximately \$8,000 per year.

**Proposal:**

As a best practice in nonprofit organizations, the membership rate changes are considered every 5-7 years depending on inflation, price index changes, etc. Although it has been over 12 years since we have increased our ZAH membership rates.

The circumstances as well as the financial needs and demands since the last change have drastically altered at ZAH. Hence it is imperative that we consider changing the way we operate to stay financially viable. We are at a very critical juncture, and we need to act soon to maintain and operate our facilities effectively and efficiently, thereby continuing to give our members the optimum benefit they deserve.

Therefore, it is proposed, that the General Body consciously consider the resolution and the proposed changes to the ZAH membership rates (highlighted) as stated below, effective January 1<sup>st</sup>, 2024.

**"Resolved that the ZAH membership rates in the following categories (highlighted) be increased by the recommended rate increase below from January 1<sup>st</sup> 2024"**

<b>Membership Type</b>	<b># of Members</b>	<b>Current Rate</b>	<b>New/Suggested Rate</b>
Associate Member	2	\$275	\$325
Life Member	5		-
Family Member	63	\$275	\$325
Single Member	29	\$135	\$175
Single Member (Head of Household)	4	\$150	Suggest removal
Student Member	18	\$25	\$25
Senior Family Member	46	\$65	\$125
Senior Single Member	23	\$40	\$75
Patron Family Member	11	\$500	\$500
Patron Single Member	2	\$250	\$250
Patron Senior Family	9	\$250	\$250
Patron Senior Single	2	\$125	\$125
<b>TOTAL</b>	<b>214</b>		

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