

**YMCA OF ORANGE COUNTY
BOARD OF DIRECTORS
MINUTES
January 25, 2018**

Dave Lamb, presiding

PRESENT

Directors:

Beth Haney	Jean-Paul Afif	Rosanna Coveyou	Greg Custer
Christy Lewis	Michael Hahn	Minh Hoang	Dave Lamb
Katie O'Conner	Jeff McBride	John McCarty	Juliette Meunier
Jay Scott	Sean Peasley	John Rochford	Don Saulic
	Bob Traut	Weikko Wirta	

Staff:

JoAnn Delahousaye	Dolores Daly	Joyce Kirchhofer	Christine Salas
	Joan Loch		

Guests: Staff: Dani Kline, Jennifer Todd, Kelly Kneubuhl, Jimmy Lessard
Consultants: Anna Romiti, Heidi Southall, Amy Knowles Monique Black

Dave Lamb called the meeting to order at 7:30 a.m.

Jimmy Lessard gave the invocation. A quorum was present.

PRESENTATIONS:

Human Resources

Christine Salas, Dir of HR & QA & Training
Amy Knowles, North Creek Consulting

Christine Salas introduced the HR presentation portion of the meeting and gave an overview of her experience and background with the YMCA. She shared about her more than 30 years of experience at the Y working in the field at branches and in childcare. She has overseen association wide initiatives and most recently oversaw the Quality Assurance for the organization. Christine introduced Amy Knowles of North Creek Consulting (NC). Amy Knowles gave an overview of the Human Resources Diagnostics that NC conducted on the HR department. She stated that NC was initially engaged to review HR and payroll – how the Y does things vs. best practices. NC identified the gaps in areas such as HR documentation, recruiting practices and payroll processing from a best practices standpoint. They also reviewed the payroll system. Amy stated NC was engaged by the YMCA in August. She reviewed the timeline beginning with the evaluation process to current implementation. She reviewed the strengths of the people, processes and technology. Amy stated the HR department has strong leadership and stewardship from Christine. Christine has developed a strong team in HR. Amy stated that over half of the items identified by NC had already been identified by Christine and her team prior to NC being engaged and the team had already begun working on them. Amy summarized the report:

HR – the department is very lean and this understaffing is impacting the association.
Technology – there are Paycom system issues and process issues.

Payroll – only have one staff person and this understaffing is impacting the association

Amy reviewed the findings on payroll, leaves, recruiting/hiring, and training. She talked about culture vs. training. She stated that the goal is to concentrate on the high value/low effort items in order to be able to move forward as quickly as possible. She reviewed next steps regarding process, HR department staffing, benefits, and compensation review across the association.

Christine shared with the Board on the background of the HR team and what has been accomplished in the time since she has assumed the leadership of the department. She also showed a video that was prepared for the Board by Jan Moorad who recently did a culture survey at the Association Office. She also stated that University of California – Irvine will be doing an employee survey in February that will be focused on employee engagement.

Fitness Update:

Dolores Daly, COO

Heidi Southall, consultant

Fitness staff: Dani Kline, Kelly Kneubuhl, Jennifer Todd

Dolores Daly shared about her experience with this YMCA in the fundraising arena but not the fitness side. She stated that Jeff McBride introduced her to Heidi Southall who has extensive experience in this area. She introduced Heidi to the Board and shared about her experience with group exercise (group ex) and about her being the best in her field. Heidi shared about the impact that group ex has on membership and the process of evaluating the association's group ex program. She stated she has 100% confidence that change has been made in this organization. She stated that change has already been made at this organization. She stated her initial goal was to identify top leadership. A SWOT analysis was completed and she also reviewed how she identified talent. She stated she was prepared to go outside the organization to find the necessary talent to move group ex forward in this association but that she is pleased to share with the Board that there was talent already on staff. Heidi introduced the staff that has been identified as the leadership team for group ex: Dani Kline, evaluator; Jennifer Todd, trainer, and Kelly Kneubuhl, collaborator. Kelly shared about her experience in building collaborations between the branches and the Health & Wellness Departments. Jennifer Todd stated she was a Health & Wellness program director at the HB branch. She talked about group fitness as the most effective way to reach members and expand membership. She shared about inspiring the group ex instructors who in turn inspire members. Already there are trainings scheduled through September of 2018. She also invited the Board to attend a Fit Fest at the MV branch being held on Saturday, February 3. Dani Kline shared about what has been done in the past few months to prepare the branches for the expanding and improving group ex program and how to be welcoming, inviting and have clean facilities.

Heidi shared the goals accomplished in the past 6 months. She stated there has been a barre studio grand opening and it is very successful. All branches now are fully equipped. Have also created an app for group ex instructors so they can connect with other instructors across branches and this also helps with finding substitutes for classes. All branches had different group ex schedules and descriptions. Now all are consistent. Goal is to reach capacity. We are working on getting consistent data. We

are paying close attention to this. We are creating a dashboard to track goals. Dolores stated now the good challenge is the classes are packed.

Marketing:

Dolores Daly, COO

Anna Romiti, Consultant, Reveille

Dolores Daly introduced Anna Romiti of the Reveille Marketing firm. Anna shared about Reveille and its background and current and prior clients. She talked about the evaluation of the marketing department. Previously it has been operating as an analytical department and not a marketing department. She stated there had been great stories to tell but they were not getting market penetration. She reviewed the goals of the marketing department – recasting the organization and developing a turnkey scalable marketing program. She shared about refreshing the message

One Y. One Goal. One Community.

Anna stated that the marketing campaign will launch this month and is a year-long campaign. She stated one of the most important things we can do is engage in public relations. The goal is to secure 300 hits for the Y – through media including newspaper, on-line, social media, etc. We are also renovating the website. Anna shared about “boots on the ground” marketing, cross promoting and no more silos. We will also be launching an app. The marketing department is thinking outside the box. She shared about the new advertising campaign – a strategic campaign.

In summary, Anna stated that we are making amazing progress. She stated that in the past few months the YMCAOC has received 2 significant recognitions from the Orange County Business Journal: 1) Top Non-Profit and 2) Top Employer in O.C.

Dolores thanked the Board for their attention to the presentations. Presentation handouts are on the table in front of each Board member. She asked if there were any questions. A board member asked how the Y is different from other organizations in the health and wellness area. Jennifer Todd stated other fitness organizations look to fill a room; the Y is all about connections and community. When you feel included and part of the group you will come back. Heidi Southall stated that is the philosophy that sets us apart. She reaffirmed that we are now in the position to begin collecting data and evaluating going forward.

Dave Lamb stated the “One Y, One goal, One community” is very impactful. He was very impressed with this messaging.

John McCarty inquired about employee engagement. Christine Salas stated we are focusing on retention. She stated we have 1400 staff members and 700 leave us over the course of a year. This comes primarily from the childcare area and the seasonal employees. Part of this is the nature of the business but we are focusing on categorizing this so we can track what is normal and where are the anomalies. She also stated we are creating a career path within the Y that will show staff their growth and development opportunities and that the Y can be a career and not a stepping stone.

FINANCE COMMITTEE

Juliette Meunier, Vice Chair

Juliette Meunier updated the Board on the financials which were included in the Board packet. She also stated that the committee will be reviewing different financial reports that will provide the data that both the committee and the Board will find more informative. Rosanna Coveyou asked about reserves. Joyce Kirchhofer stated we have reserves and we will be working on a plan to better track and maintain the reserves. Jeff McBride stated that we also annually develop a Capital Expenditure budget that is built into the budget every year. Joyce stated we also have \$11M in our investment accounts.

Juliette shared with the Board that the Finance Committee is revamping the Finance Committee's processes and this month the committee focused on insurance. The committee met with the insurance broker and reviewed the levels of coverage – amounts, worker's comp, liability, cyber security, etc. Also, the committee discussed the Investment Committee which was commissioned as a sub-committee of the Finance Committee. The Finance Committee will be recommending to the Board that the Investment Committee be a separate, standalone committee and not a sub-committee.

LEGAL COMMITTEE

John Giovannone, Attorney, Seyfarth Shaw

John Giovannone gave the Board an update on the Davis lawsuit. John, Jeff McBride, Dolores Daly and Christine Salas attended the mediation on January 3, 2018. John disclosed that the mediator read a declaration from former employees discussing conversations they allegedly had with board members about recent board meetings. John noted that the case has been resolved and reminded the board of the importance of maintaining confidentiality.

Meeting adjourned at 9:32 a.m.

Respectfully submitted,

Rosanna Coveyou
Secretary



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

PLEASE BRING THE ATTACHED MATERIALS
TO THE BOARD OF DIRECTORS MEETING.

ONLY MATERIALS NOT INCLUDED IN THIS
PACKET WILL BE AVAILABLE FOR
DISTRIBUTION AT THE MEETING

THANK YOU FOR YOUR COOPERATION

BOARD OF DIRECTORS MEETING
THURSDAY, JANUARY 25, 2018

⇒⇒⇒**7:30 A.M.**⇐⇐⇐

YMCA of Orange County
13821 Newport Ave.
Tustin, Ca 92780

IF THE EXTERIOR DOOR TO THE BUILDING IS LOCKED, INPUT THE
FOLLOWING CODE INTO THE KEY PAD: 1381*

**BOARD OF DIRECTORS AGENDA
JANUARY 25, 2018
7:30 A.M.**

Christy Lewis, presiding

Call to Order

Christy Lewis

Invocation

Jimmy Lessard

PRESENTATIONS – ASSOCIATION AND OPERATIONS UPDATES

- HR Update
- Health & Wellness Presentation
- Marketing Presentation

Christine Salas
Heidi Southall & Group
Anna Romiti

COMMITTEE REPORTS

1. Finance Committee

Juliette Meunier

2. Legal Update

John Giovannone

Adjourn



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Finance Committee

JANUARY 17, 2018

- Summary by Branch – December, 2017
 - Statement of Financial Position – December, 2017
 - Investment Activity – December, 2017
-

**FINANCE COMMITTEE MEETING
JANUARY 17, 2018**

Present: Juliette Meunier, Jeff McBride, Joyce Kirchhofer, Minh Hoang, David Lamb, Dolores Daly, Joan Loch, JoAnn DeLaHousaye, Sean Peasley (via phone)

Absent:

Guest: Jeannie DeLaura (Bolton & Company)

TASK LIST	WHO	DATE DUE	DONE
Re-look at earthquake, Cyber and Umbrella insurance coverage	Joyce/Bolton	3/1	
Create Plan for how and when we transfer investment funds.	Joyce	6/30	
Talk to Andrew Leet about Tipper LLC Agreement – Authority Limits	Jeff	2/5	
Set Up Web-Ex to review COW before next committee meeting.	JoAnn	1/31	
Talk to Finance Committee about new tax reform.	Joyce	Feb. Mtg.	

DECISIONS:

- 1. Approved the November 20, 2017 Minutes – (Meunier/Hoang) m/s/c**
- 2. Voted to separate the Investment Committee from the Finance Committee – (Meunier/Peasley) m/s/c**

OTHER

Bolton & Company Insurance Review Jeanie DeLaura shared her background and gave an overview of our insurance coverage. We were originally introduced to Bolton by Bob Traut. Bolton works with over 200 non-profits. Our coverages in general have gone up to reflect that we now own the Tustin building, but they do need to take another look at our earthquake coverage. Our tenants have their own liability insurance. The “employment practices” piece of insurance premiums are going up in general, and wage and hour claims are not covered. Last March, Bolton moved us to a self-insurance provider for workers’ comp. We are one of 54 companies in this specific workers’ comp provider. Jeanie stated that when doing a workers comp renewal they look at a 5 year claim history. We’re doing very well with our workers comp claims thanks to HR doing a great job managing the claims on the back end. Juliette asked about our executive protection. We pay the first \$100,000 of each covered EPLI claim. Jeanie said that Bolton anticipates a 5 - 10% hike in auto insurance this coming year. Cyber is theft of data. Jeanie suggested that we may need to consider increasing our cyber coverage. Based on Sean Peasley’s expertise, Joyce asked Jeanie to quote it up to \$4 million. Cyber coverage covers physical and computer electronic files and information that may get lost or stolen. Accidental Death also includes accidents. So far we haven’t had a lot of claims. Juliette asked if Jeanie sees anything else where we’re under or over covered. Jeannie recommended we increase our earthquake coverage now that we own the building. She also wants to look at higher cyber and umbrella coverage, she will provide quotes for multiple amounts. Bolton does board member match

FINANCE COMMITTEE MEETING
JANUARY 17, 2018

events if this is something we ever need. Dolores Daly interjected that we're using Bolton as a resource so that we don't have to go to our attorneys as much, and we're also participating in webinars which are services Bolton offers us as part of our broker fee. Our broker fee is \$50,000. Joyce said that minus the commissions credited, we've paid them about \$36,000 in broker fees. Jeannie will send the prior workers compensation ex-mod rates to Joyce. Jeff McBride stated that Bolton has been great to work with, and that they're great partners! Minh asked about the premium increase in the true up in workers comp. Joyce said the audit hasn't been done yet but the increased wages was figured into the liability left at year end.

Financial Update: Joyce Kirchhofer gave an overview of our December financials. Revenue by Branch YTD in 2017 - \$43M. YTD Net Outcome was \$1.6M, \$608k better than budget. Branches with the larger variances were discussed. Jeff stated that there was unbudgeted revenue as well as expenses in 2017 and since we were doing so well, there was a conscious effort to spend money in 2017 to improve the organization. Minh commented that the new financial spreadsheet layout was good, and precise.

Joyce also gave an overview of our investments. David Lamb suggested that Joyce add a line item to show how much we've actually given away. Jeff said that he would like a plan of how and when we transfer funds to the investment account. Joyce will work on this.

Balance Sheet Review – most of the changes on the balance sheet are coming from the purchase of the building. Not everything for Tipper LLC is reported quite yet, Joyce will be reporting the YMCA's P&L separate from Tipper LLC. She's also going to report on restricted items. It was discussed that we need clarification regarding authority for Tipper transactions since it is not clear in the LLC Agreement. Jeff will talk with Andrew Leet about this.

Joyce made an offer for the controller position, and it was accepted. The new controller will start on January, 29, 2018. Juliet would like Joyce to talk at the next Finance Committee meeting about the new tax reform, and how it will impact the YMCA.

Joan Loch suggested that we do a web-ex to discuss the Chart of Work rather than waiting until the next committee meeting. JoAnn will work with Juliette on setting this up.

Adjourned: 5:50 pm

YMCA of Orange County
Association Summary by Branch
For the Twelve Months Ending December 31, 2017

	Month-to-Date			Year-to-Date			YTD Comparison	
	Actual	Budget	Variance	Actual	Budget	Variance	Prior YTD	Curr YTD vs Prior YTD
Revenue By Branch								
Fullerton Family	\$360,977	\$148,267	\$212,710	\$2,666,131	\$2,498,068	\$168,063	\$2,661,655	\$4,476
Santa Ana Family	18,756	38,408	(19,652)	772,899	691,085	81,814	811,110	(38,211)
Huntington Beach Family	78,252	126,294	(48,042)	1,603,541	1,805,115	(201,574)	1,717,537	(113,996)
Yorba Linda/Placentia Family	(21,969)	9,024	(30,993)	367,513	344,220	23,293	344,007	23,506
Newport Mesa Family	135,293	140,909	(5,616)	2,298,179	2,100,761	197,418	2,063,424	234,755
YMCA Community Services	141,210	73,775	67,435	1,155,316	929,432	225,884	1,478,049	(322,733)
Laguna Niguel Family	343,695	160,854	182,841	2,555,031	2,307,008	248,023	2,554,596	435
Mission Viejo Family	459,627	167,673	291,954	3,241,244	2,727,752	513,492	3,169,246	71,998
Capistrano Beach Family	(11,230)	15,375	(26,605)	196,592	202,655	(6,063)	216,955	(20,363)
Childcare	2,503,425	1,720,226	783,199	23,432,805	21,380,499	2,052,306	21,619,272	1,813,533
Camp E.L.K.	(360,891)	28,355	(389,246)	801,638	358,263	443,375	621,100	180,538
San Gabriel Valley	28	0	28	105,677	53,500	52,177	76,537	29,140
YMCA of Riverside County	30,194	(50)	30,244	47,262	47,900	(638)	92,359	(45,097)
Murrieta Family	54,815	83,235	(28,420)	730,831	905,384	(174,553)	663,224	67,607
Pomona Valley	61,225	0	61,225	312,122	0	312,122	0	312,122
Maple Hill Family	5,340	0	5,340	106,592	0	106,592	0	106,592
Corporate Mission Initiatives	(51,864)	7,350	(59,214)	16,266	92,550	(76,284)	0	16,266
Association Office	26,480	(6,670)	33,150	2,141,085	0	2,141,085	566,699	1,574,386
Total Revenue	3,773,363	2,713,025	1,060,338	42,550,724	36,444,192	6,106,532	38,655,770	3,894,954

Expenses By Branch								
Fullerton Family	448,696	170,631	(278,065)	2,496,880	2,346,487	(150,393)	2,532,948	36,068
Santa Ana Family	44,171	42,717	(1,454)	803,461	721,650	(81,811)	1,049,513	246,052
Huntington Beach Family	157,725	131,101	(26,624)	1,816,717	1,746,852	(69,865)	1,722,149	(94,568)
Yorba Linda/Placentia Family	32,245	18,831	(13,414)	373,106	335,187	(37,919)	360,138	(12,968)
Newport Mesa Family	168,359	155,878	(12,481)	2,210,013	2,091,776	(118,237)	2,306,667	96,554
YMCA Community Services	143,289	81,706	(61,583)	847,469	733,764	(113,705)	1,111,777	264,308
Laguna Niguel Family	539,397	185,865	(353,532)	2,509,340	2,249,951	(259,389)	2,541,786	32,446
Mission Viejo Family	826,778	203,027	(623,751)	3,695,364	2,859,843	(835,521)	3,485,756	(209,608)
Capistrano Beach Family	31,794	21,313	(10,481)	178,665	196,437	17,772	229,640	50,975
Childcare	1,787,494	1,221,258	(566,236)	18,926,439	16,518,782	(2,407,657)	16,266,844	(2,659,595)
Camp E.L.K.	106,411	45,185	(61,226)	718,459	555,279	(163,180)	993,444	274,985
San Gabriel Valley	19,452	0	(19,452)	116,071	54,873	(61,198)	68,882	(47,189)
YMCA of Riverside County	1,975	8,940	6,965	67,816	109,831	42,015	215,816	148,000
Murrieta Family	117,566	118,698	1,132	1,415,786	1,399,979	(15,807)	1,377,741	(38,045)
Pomona Valley	6,989	0	(6,989)	313,336	0	(313,336)	0	(313,336)
Maple Hill Family	35,793	0	(35,793)	209,662	0	(209,662)	0	(209,662)
Corporate Mission Initiatives	41,322	4,419	(36,903)	102,789	56,098	(46,691)	71	(102,718)
Association Office	458,877	304,876	(154,001)	4,188,302	3,514,668	(673,634)	2,738,725	(1,449,577)
Total Expenses	4,968,333	2,714,445	(2,253,888)	40,989,675	35,491,457	(5,498,218)	37,001,897	(3,987,778)

YMCA of Orange County
Association Summary by Branch
For the Twelve Months Ending December 31, 2017

Net Outcome by Branch

	Month-to-Date			Year-to-Date			YTD Comparison	
	Actual	Budget	Variance	Actual	Budget	Variance	Prior YTD	Curr YTD vs Prior YTD
Fullerton Family	(87,719)	(22,364)	(65,355)	169,251	151,581	17,670	128,707	40,544
Santa Ana Family	(25,415)	(4,309)	(21,106)	(30,562)	(30,565)	3	(238,403)	207,841
Huntington Beach Family	(79,473)	(4,807)	(74,666)	(213,176)	58,263	(271,439)	(4,612)	(208,564)
Yorba Linda/Placentia Family	(54,214)	(9,807)	(44,407)	(5,593)	9,033	(14,626)	(16,131)	10,538
Newport Mesa Family	(33,066)	(14,969)	(18,097)	88,166	8,985	79,181	(243,243)	331,409
YMCA Community Services	(2,079)	(7,931)	5,852	307,847	195,668	112,179	366,272	(58,425)
Laguna Niguel Family	(195,702)	(25,011)	(170,691)	45,691	57,057	(11,366)	12,810	32,881
Mission Viejo Family	(367,151)	(35,354)	(331,797)	(454,120)	(132,091)	(322,029)	(316,510)	(137,610)
Capistrano Beach Family	(43,024)	(5,938)	(37,086)	17,927	6,218	11,709	(12,685)	30,612
Childcare	715,931	498,968	216,963	4,506,366	4,861,717	(355,351)	5,352,428	(846,062)
Camp E.L.K.	(467,302)	(16,830)	(450,472)	83,179	(197,016)	280,195	(372,344)	455,523
San Gabriel Valley	(19,424)	0	(19,424)	(10,394)	(1,373)	(9,021)	7,655	(18,049)
YMCA of Riverside County	28,219	(8,990)	37,209	(20,554)	(61,931)	41,377	(123,457)	102,903
Murrieta Family	(62,751)	(35,463)	(27,288)	(684,955)	(494,595)	(190,360)	(714,517)	29,562
Pomona Valley	54,236	0	54,236	(1,214)	0	(1,214)	0	(1,214)
Maple Hill Family	(30,453)	0	(30,453)	(103,070)	0	(103,070)	0	(103,070)
Corporate Mission Initiatives	(93,186)	2,931	(96,117)	(86,523)	36,452	(122,975)	(71)	(86,452)
Association Office	(432,397)	(311,546)	(120,851)	(2,047,217)	(3,514,668)	1,467,451	(2,172,026)	124,809
Total Net Outcome	(1,194,970)	(1,420)	(1,193,550)	1,561,049	952,735	608,314	1,653,873	(92,824)

YMCA of Orange County
Statement of Financial Position
December 31, 2017

<i>Cash Flow</i>		<i>Balance Sheet</i>		
Year End 12/31/2016	YTD Change	1 Year Ago 12/31/2016	Prior Mo. 11/30/2017	Current Mo. 12/31/2017
ASSETS				
Current Assets				
\$4,238,228	(\$2,219,193)	\$4,238,228	\$2,733,677	\$2,019,035
9,204,109	2,634,395	9,204,109	11,696,210	11,838,504
887,085	(150,777)	887,085	850,494	736,308
29,629	4,263	29,629	77,480	33,892
81,459	89,617	81,459	205,310	171,076
51,096	55,054	51,096	(49,935)	106,150
646,864	(371,003)	646,864	346,347	275,861
15,138,470	42,356	15,138,470	15,859,583	15,180,826
Other Assets				
12,706,854	5,041,111	12,706,854	17,678,953	17,747,965
0	0	0	(732,000)	0
12,706,854	5,041,111	12,706,854	16,946,953	17,747,965
\$27,845,324	\$5,083,467	\$27,845,324	\$32,806,536	\$32,928,791
LIABILITIES AND NET ASSETS				
Current Liabilities				
\$631,414	(\$22,837)	\$631,414	\$546,642	\$608,577
1,534,811	136,635	1,534,811	1,700,612	1,671,446
1,464,162	(189,225)	1,464,162	917,711	1,274,937
(1,433)	1,433	(1,433)	(2,454)	0
3,628,954	(73,994)	3,628,954	3,162,511	3,554,960
Long-term Liabilities				
162,283	176,733	162,283	80,061	339,016
1,936,286	2,831,152	1,936,286	4,887,113	4,767,438
2,098,569	3,007,885	2,098,569	4,967,174	5,106,454
5,727,523	2,933,891	5,727,523	8,129,685	8,661,414
Net Assets				
1,653,874	(92,823)	1,653,874	2,756,022	1,561,051
0	(35,117)	0	(71,120)	(35,117)
69,549	554,093	69,549	(125,852)	623,642
20,394,378	1,723,423	20,394,378	22,117,801	22,117,801
22,117,801	2,149,576	22,117,801	24,676,851	24,267,377
\$27,845,324	\$5,083,467	\$27,845,324	\$32,806,536	\$32,928,791

YMCA of Orange County
For the Twelve Months Ending 12/31/2017

	YTD	
	2017	Last Year
Investment Activity		
Dividends	\$ 228,113.99	\$ 197,880.82
Investment Valuation Change	1,133,710.48	389,057.35
Short Term Gain (Loss)	12,683.45	(28,501.18)
Long Term Gain (Loss)	81,250.45	(33,116.63)
Less: Investment Fees	(77,758.83)	(67,378.44)
Net Investment Outcome	\$ 1,377,999.54	\$ 457,941.92