



Board of Directors

RETREAT

Meeting Minutes

December 6, 2018



BOARD OF DIRECTORS RETREAT – MINUTES

Details

Date: December 7, 2018 @ 7:30am

Location: The Waterfront Resort
21100 Pacific Coast Highway
Huntington Beach, CA 92648

Presiding

Rosanna Coveyou, Board Chair

PRESENT: Anna Romiti, Jennifer Heinen, Christine Salas, Tricia Quinn, Mike Proud, Minh Hoang, Greg Custer, Sean Peasley, Michael Hahn, Richard Clegg, Gigi Woodruff, Brian Constable, Joyce Kirchhofer, Juliette Meunier, Jeff McBride, Jess Meyers, Rosanna Coveyou, Dolores Daly, Jay Scott, Don Saulic, Dave Lamb, Sarah Steffen, Weikko Wirta (8:49am)

Call to order/Opening Thoughts– 7:59am

Jeff McBride

Invocation

Mike Proud

Inspirational Speaker, end 8:35am

Mike Davis

8:35am

Board Leadership and Governance, Session I – Gigi Woodruff

- See Presentation Slides for full detail
- CEO is not the sole provider of information to the BODs
- BODs are visionary leaders of the organization
- Equally yoked partnerships are key to navigate challenges
- Judith Glaser quote: “To get to the next level of greatness depends on the quality of the culture, which depends on the quality of the relationships, which depends on the quality of the conversations. Everything happens through conversations!”
- BOD Blind spots
 - Setting impossible goals
 - failing to be bold
 - Thinking/assuming the job is done



-Critical Thinking

CRITICAL THINKING REQUIRES



-Inclusion of voice & culture of inquiry

WHEN A CULTURE OF INQUIRY IS PRESENT, BOARDS...

- possess mutual respect and trust between all members!
- seek more information, question assumptions, and challenge conclusions **before** a decision is made
- regularly draw upon multiple and intentionally diverse sources of information and perspectives
- engage in constructive debate and critical thinking that leads to sound and shared decision making
- ensure all voices have an opportunity to be heard.
- advocate for solutions based on analysis – not **reaction**.

-BODs frame then decide

TO DO:

-Develop a task force for Board Development/Governance

-same committee? (Gigi/Jeff discuss)

-Juliette – suggests we change and/or add time to regular BOD meetings***



9:55am

Strategic Plan

Richard Clegg

-See Presentation Slides

LA PIANA: REAL TIME STRATEGIC PLANNING PROCESS

Thinking vs. Planning

Every Day vs. Every 3 to 5 Years

Actions vs. Goals

Engagement vs. Frustration

-Strategic Plan is **real time** and there needs to be checkpoints

-Quarterly have a strategy agenda item at our BOD meetings

-Strategic Advantages

STRATEGIC ADVANTAGES

La Piana states that it's the organization's (the Y) ability to produce value using a unique asset, outstanding execution, or both.

You must leverage what sets your organization apart.

The critical and relevant few that is different and better and hard to copy!

1. Family Orientated programs and services

- Redefine #1
- Depth
- Quality
- Reach
- Licensed

Diversity and access of

...for all – not just for family

3. Leadership & Talent

- Add passion; entrepreneurial spirit
- Develop Young Leaders

4. Financial Strength

- Willingness to invest when others don't; add to #6
- Forward thinking model; add to #6



5. Brand and legacy/strong reputation
 - Nonprofit cause –delivery
 - Largest Child Care in OC
6. Ability to address community issues; flexibility
 - Incubate
 - Expand impact
 - Willingness to invest when others don't; add to #4
 - Forward thinking model; add to #4

-Strategy Screen

STRATEGY SCREEN

What it is:

- Explicit criteria for decision-making
- Tool to challenge the organization's thinking
- Aid in weighing choices using open-ended questions

What it is NOT:

- A rigid framework
- A checklist
- A list of absolutes

1. What is critical to answer?

- #1, 10 & 11
 - Answer at the same time
 - Make them all “how” dialogue
- Combine # 8 and #4- YES
 - Research beforehand

-Community Impact

-Youth Obesity – It is an issue!

-It is an issue but how do we address it?

-Need more data

-Collaborate, Enhance and Partner

-Dive in with outside forces

-The black lung example; what seeds can be sown

-How do we serve our Y family, not just our youths

-Whom do we really target?

-What are issues causing youth obesity

-Emotional Eating, Cheap to eat (\$1 menu)



-Need to develop resources & tools

COMMUNITY IMPACT

Youth Obesity: Develop an organizational strategy and programming to address the epidemic of obesity in school-age youth.

Organizational strategies:

1. Create a community collaborative of organizations and individuals focused on youth obesity within the K-8 population.
2. Enhance existing YMCA programs to help battle youth obesity that address physical inactivity, nutrition and family education.
3. Implement marketing strategies to ensure the Y's voice as a leader on prevention within the communities it serves.
4. Secure financial support of the Y's prevention initiatives.

We will measure our success by:

1. Create community collaborative with 15-20 groups/individuals with a developed chart of work by end of Q3 of 2021.
2. Enhance existing Y programs to address physical inactivity, healthy eating/nutrition and family education at both childcare and branch locations by end of Q4 of 2020.
3. Develop and implement an annual Marketing Plan that includes monthly messaging to communities served beginning in 2019 through 2021.
4. Secure funding for Youth Obesity strategies by end of 2021.

-Early Learning Readiness

-Right priority

-There is a need

-Need more data

-What is our differentiating factors?

-Take a deep dive



COMMUNITY IMPACT

Early Learning Readiness: Seek, build, and leverage partnerships in our communities that will enhance and grow the Y's early learning readiness programs that will advance the Y's profile as a high-quality provider making an impact on youth, families, and communities

Organizational strategies:

1. Strengthen our position in the early childhood community through existing programs and extended partnerships.
2. Position Early Learning Center as highest quality of early learning and care
3. Increase our number of early learning/preschool programs

We will measure our success by:

1. Secure OCDE full CLASS assessment contract for 2019/20 and 2020/21 contract years
2. Secure OCDE ERS assessment contract for 2019/20 and 2020/21 contract years
3. Add at least one additional county CLASS assessment contract for 2019/20 year
4. Add at least two CLASS or ERS QRIS programs by end of 2020
5. We will measure our success by the star rating (1-5) that ELC earns: Goal of 4 stars by end of 2020 and 5 stars by end of 2021
6. Create a preschool model vetting tool and develop a plan to expand preschools by end of 2019

-What's your why?

Strategy Team:

The Y empowers you to live your why. When you live your why, communities transform.

-People

-Why do people stay?

-Build model around why people are staying

-Add volunteers (both)

-Call out stronger

-Membership

-Are we creating community or serving customers

-Where is the investment; change culture of membership

-Connections

-It's all about relationships

-Redefine who is a "member"; member model for growth



-Brand

- Consistency; quality and uniqueness across the Association
- Take Control of our brand; driving experiences
- Consistent Messaging of something bigger

-Philanthropy

- Expand beyond the BOD
- Expand partnerships/corporate
- Increase awareness of charity
- Staff development department
 - larger
 - review of capacity of staff

-Sustainability

- Reduce reliance on CUSD % of revenue
 - Increase the value
 - Decrease the strain of childcare
- Should be a stretch goal
- How do we reinvest back into the community
- Review of programs that are non-profitable
- Review funding model

NEXT STEPS

- Today's work and outcomes will be further be refined by staff based on your input
- The strategy team will review the work completed to date and give further input and refinement.
- A draft road map will be created and reviewed by the strategy team.
- The strategy road map will be presented to the board for ratification.

- Pull strategy team back together for additional final input
- How does the BOD structure align with the strategic plan
- How does the committee align with the strategic plan
- BOD – GO or NO GO?



Board Leadership and Governance, Session II – Gigi Woodruff

-Ten basic Responsibilities of Nonprofit boards

Ten Basic Responsibilities of Nonprofit Boards

- 1. Determine mission and purpose.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.
- 2. Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
- 3. Support and evaluate the chief executive.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.
- 4. Ensure effective planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
- 5. Monitor, strengthen and measure impact of programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.
- 6. Ensure adequate financial resources.** One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission.
- 7. Protect assets and provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
- 8. Build a competent board.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate their own performance.
- 9. Ensure legal and ethical integrity.** The board is ultimately responsible for adherence to legal standards and ethical norms.
- 10. Enhance the organization's public standing.** The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.

-Board Assessment

1. + Strong Board Values
 - Are they written? If not, they don't exist
 - ▲ We don't demonstrate our Christian values out in the community
2. + Recognize the value of CEO in adversarial times
 - ▲ Evaluate criteria aligned with our Christian Mission
3. + Engage in dynamic process
 - ▲ Use of strategy screen
 - ▲ process needs to be driven BY THE BOD



4. + Finance and Facilities Committees evaluates program & services
 - ▲ More than money
 - ▲ Apply strategy screen
5. + Adequate Resources
 - Committee members skills (eg. Finance background for FC) to add
 - ▲ Fundraising
 - ▲ YMCA process for procurement
6. + Investment Oversight
 - ▲ Identify risks
 - ▲ Labor laws/liability
7. + Build a Competent BOD
 - Diverse BOD
 - Pool of BOD candidates
 - ▲ Evaluation
 - ▲ Onboarding
8. + Legal; ethical integrity
 - 2 good law firms
 - Past experience
 - ▲ Defining process for next generation of board leaders
9. + Public Standing
 - ▲ More engagement in the community
 - ▲ More engagement of BOD members

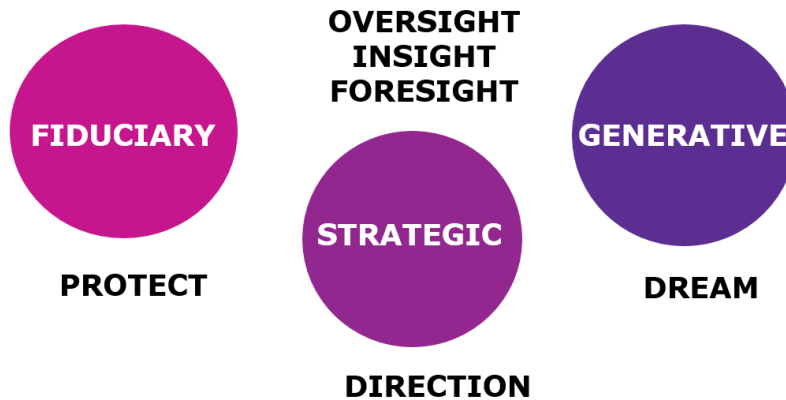
OLD WAY	NEW WAY
CEO defines problems, consults with others (branch board members; staff), assesses options, and proposes solutions. Boards listen, learns, approves and monitors.	Board and CEO discover issues that matter to the community, mutually determine the agenda then frame and solve problems together.
Structure of standing committees parallel administrative functions. Focus is on permanent structure, established routines. Board maintains busywork.	Structure of board mirrors institution's strategic priorities. Premium is on flexibility, ad hoc arrangements. Board creates centers of action for impact.
Board meetings are process driven. Protocol doesn't vary. Emphasis is on transmission of information and reports.	Board meetings are goal and strategy driven. Protocol varies with circumstances. Emphasis is on participation and action led by volunteer leadership.
Board is a collection of community stars who also serve other NFP boards. CEO cultivates the relationships and recruits the volunteers.	Governance / Board Development Committee recruits colleagues, cultivating set of peers with capabilities and competencies to assure diverse talent on board to meet emerging needs
Branch board works independently from the Association board	A strong partnership between the branch board of advisors and the governing board; focus on the collective work together



- Three Modes of Governance

THREE MODES OF GOVERNANCE

Boards must learn how to have robust discussions that lead to being adaptive, transformational and cause-driven.



- Fiduciary does not mean money; It means anything held in trust.
 - This is the BODs accountability to worry about
- Generative Discussion Frames the Board's perspective
- Board must embrace a culture of inquiry in all modes of governance
 - Not just when in the generative mode.
- Strategic Modes Steers and Frames the Direction

STRATEGIC MODE

Steers and shapes institutional direction and priorities.

- What will we do to embrace our changing community demographic?
- How do we move to being a more cause-driven organization?
- How is our current "business model" creating the outcomes and impact we expect, and our communities deserve?
- How would we create more impact as a charity if we were to merge with another Y? What if we were to collaborate with another organization?



Reflection and Action Planning for Next Steps

-Action Planning

- Look at bylaws to ensure we are in current practice.
- BOD Terms? 3 years? Is it working?
- Finance Committee and Audit Committee ARE NOT THE SAME PEOPLE
- Governance – Task force; maybe not an actual committee
- HR/Legal – Task force; maybe not an actual committee
 - Jeff & team to figure out what critical issues should be brought to BOD
- BOD meeting agendas
 - Agenda should be relevant to the discussion of the meeting
 - If there is no action to be taken it DOES NOT go on the agenda
 - If it is discussion only; DOES NOT go on the agenda
- BODs write approved policy; staff does NOT
- BOD first
 - Never should a BOD member see something on an agenda/or packet without knowing about it first.

****BOD BUSINESS****

Approval of Minutes – Michael Hahn, Secretary

- October 25, 2018
 - Don Saulic motions to accept minutes
 - Dave Lamb second motion to accept minutes
 - 12 ayes, 0 nays and 0 abstentions – APPROVED MINUTES AS PRESENTED

Finance Committee Report – Juliette Meunier, Treasurer

- Juliette discussed committees and the diversity and agrees with Gigi on “how/who” to recruit.
- Generative: Process is started to be more purposeful with our investments.
 - We will need to come to the BOD to agree on “where to use” our money
- Michael Hahn – HB is not too far behind Murrieta. Will this be brought up to the BOD?
 - Jeff M. – Yes.
 - Mike Proud – discussed the new CARES 2.0 at the HB Branch as a last effort to increase membership
 - Dolores -There is only 1 year left on the lease and we are going to do everything we can within that year to determine if we continue or close
- Jeff M – We are actively looking at 3 struggling branches; Huntington beach, Newport Mesa and Pomona



- And, CAMP ELK – this needs to be a generative conversation that comes out of the board.

Action Items

Articles of Incorporation Amendments

- Board Vote to Approve the Articles of Incorporation Amendment as presented
 - Greg Custer motions to approve
 - Mike Proud second motion
 - 12 ayes, 0 nays and 0 abstentions – APPROVED Articles of Incorporation as presented

2019 YMCA of Orange County Budget

- Board Vote to Approve
 - Juliette Meunier motions to approve
 - Jess Meyers second motion
 - 12 ayes, 0 nays and 0 abstentions – APPROVED YMCA OC Budget as presented

2019 Tipper, LLC Budget

- Board Vote to Approve
 - Dave Lamb motions to approve
 - Don Saulic second motion
 - 12 ayes, 0 nays and 0 abstentions – APPROVED TIPPER, LLC Budget as presented

New Business

- Greg Custer suggests Roseanna create a task force to help BOD remember to keep energy going and engaged.
 - Jeff M, Yes, this will be the Board Development Committee (or task force?) and the Strategy Task Force
- Dave Lamb, “The take away that our BOD needs to recognize is that we need to step up and take more responsibility. Those are our marking orders for 2019!”

Adjourn

3:53pm



BOARD OF DIRECTORS RETREAT AGENDA

Details

Date: December 7, 2018 @ 7:30am
Location: The Waterfront Resort
21100 Pacific Coast Highway
Huntington Beach, CA 92648

Presiding

Rosanna Coveyou, Board Chair

Welcome & Introductions– Jeff McBride

Call to order/Opening Thoughts– Rosanna Coveyou, Board Chair

Approval of Minutes – Michael Hahn, Secretary

- October 25, 2018

Executive Committee Report – Rosanna Coveyou, Board Chair

Finance Committee Report – Juliette Meunier, Treasurer

Action Items

Articles of Incorporation Amendments

- Board Vote to Approve the Articles of Incorporation Amendment as presented

2019 YMCA of Orange County Budget

- Board Vote to Approve

2019 Tipper, LLC Budget

- Board Vote to Approve

Inspirational Keynote Speaker – Mike Davis

Board Leadership and Governance, Session I – Gigi Woodruff

Strategic Plan - Richard Clegg

Board Leadership and Governance, Session II – Gigi Woodruff

Reflection and Action Planning for Next Steps

Adjourn



Board of Directors Meeting Minutes

October 25, 2018



BOARD OF DIRECTORS MEETING MINTUES

Details

Date: October 25, 2018 @ 7:30am

Location: YMCA OC – BOD room

Presiding

John Rochford, 1st Vice Chair

BOD Attendees – A quorum was present

Greg Custer	Michael Hahn	Minh Hoang	David Lamb
Jeff McBride	Juliette Meunier	Jess Meyers	Mike Proud
John Rochford	Don Saulic	Jay Scott	Weikko Wirta

Other Attendees

Staci Costello	Dolores Daly	Crystal Immerman	Carol Kolarov
Joyce Kirchhofer	Miguel Quintero	Anna Romiti	Christine Salas

Call to order – John Rochford, 1st Vice Chair

7:35am

Invocation – David Lamb, 3rd Vice Chair

Approval of Minutes – Michael Hahn, Secretary

Michael Hahn reminds the BOD that we did not have quorum last month so the May 24th 2018 minutes could not be approved therefore we need to vote on them today. Michael asked if everyone had the opportunity to review and if there were any questions.

- May 24, 2018 BOD Minutes
 - Don Saulic motions to accept
 - Mike Proud seconds the motion
 - 11 ayes, 0 nays and 0 abstentions – APPROVED MINUTES AS PRESENTED

Michael asked if everyone had the opportunity to review the September 27, 2018 minutes and if there were any questions.

- September 27, 2018 BOD Minutes
 - Jess Meyers motions to accept
 - David Lamb seconds the motion
 - 11 ayes, 0 nays and 0 abstentions – APPROVED MINUTES AS PRESENTED



BOARD OF DIRECTORS MEETING MINTUES

Presidents Report – Jeff McBride, President

Jeff explains that the intent moving forward at our BOD meetings is to introduce the BOD to the staff. Jeff and the rest of the executive leadership team (we) want to empower our staff and have them really show off who they are and what they do on a day to day. (We) feel it's very important to the BOD that you meet and know the staff that makes it all happen. (We) are so proud and (we) know this organization will grow immensely with the staff and new culture that is in place. (We) we want you all to see firsthand the wonderful staff we have and see what they do.

- **Mission Moment – Aquatic Safety**

- Carol Kolarov gave a brief intro to the Aquatic Safety Program and then showed the following video
- https://drive.google.com/file/d/1ODrQPbMID_EzIY7z6uiO7FboYkLqfVWc/view

- **Quality Assurance**

- Christine Salas give a brief introduction and background on Carol and Staci.

- Staci Costello
 - Staci has been with YMCA for 20 years.
 - Gave background on where she has been and how she eventually “landed” in Quality Assurance.
 - Staci shared a success story. When she first started her role in QA she had to audit a longtime friend and that friend did not do well at all. It was very hard on her (Staci) and her friend. So Staci collaborated with this person and put a plan of correction in place and worked! The question was really “is it sustainable?”. Staci happily reported that it's been well over a year now since that plan of correction was put into place and it is still working!
- Carol Kolarov
 - Carol has been with the YMCA for almost 21 years.
 - Also gave a background on where she came from and gave a brief description on her day to day role.
 - Joyce and Juliette added that in addition to the branch audit they also conduct financial audits.



BOARD OF DIRECTORS MEETING MINTUES

- Dolores added that auditing is not the only thing they do. And gave an example stating that we have an incident protocol system and when an incident arises at a branch or location they are both notified as well as certain leadership personnel. As soon as that notification goes out I will get an email from Staci or Carol saying “I’m on my way to this branch to help”. They are so engaged and responsive and dedicated. And because of their tenure at the YMCA and their background in multiple YMCA departments it makes them experts in every aspect of quality in every department, branch and/or location.
- **Purchasing – Miguel Quintero**
- Jeff wanted to give a brief background before Joyce gave her own introduction to Miguel. He stated that in October of 2016 it was a difficult time here at the YMCA and he knew he needed to do something different. He needed someone that would “color outside of the lines” and have a “go for it” mentality. The first person he thought of was Miguel. This was for an initiative we now call “Project GROW” and I asked Miguel to lead this “GROW” team to help change the culture and to help employees feel appreciated.
 - Joyce gave a background on Miguel; been with the Y for 15 years but started this new position (purchasing manager) in July. He’s been in ops, membership, and child care and now here at AO. He completely understands the workings of the YMCA inside and out because he has experience in all of them.
 - Miguel reconfirmed he has been with the YMCA for 15 years from starting in a kids zone, to front desk, membership coordinator, child care director. He has been at AO for 8 years. Miguel added that it was a tough culture about 2-3 years ago. It was a tough leadership team and he was pretty unhappy. He adds that there was never any kind of staff recognition and he saw several of his colleagues unhappy and suffering because of it. So when Jeff asked for Miguel to lead the GROW team he was all for it. The new culture is all about helping our own staff. Jeff had a vision of changing the culture, more people working together and being more collaborative. When Jeff told Miguel that he had his back Miguel was all in and it worked! Miguel thanks the BOD members for sticking behind Jeff and supporting him on this one because great things have



BOARD OF DIRECTORS MEETING MINTUES

happened already and will continue to happen within the YMCA. Not only at the AO office but throughout the entire organization.

- Purchasing and Savings
 - See BOD packet on the BOD portal for all savings details
- **BOD Portal**
 - Crystal Immerman
 - The BOD meeting was running short on time so Crystal briefly explained what the BOD portal is and will email the link, password and instructions to the group.

Vice Chairman's Report – John Rochford, 1st Vice Chair

- Thanked everyone for the unanimous e-vote for the 2017 tax return for YMCA and for Tipper, LLC. Joyce confirmed it has all been filed and we are good to go.
- The final culture presentation is here at the AO office on 11/6 at 10am. John encouraged the BOD to attend.
- November BOD is dark due to our retreat being on 12/7 – Waterfront Hilton in Huntington Beach. Crystal reminded everyone to please accept the invitation if you plan on attending and decline if you are not.

Finance Committee Report – Juliette Meunier, Treasurer

- Juliette discussed the intersection points and explained how finance “intersects” with most of the other committees. The Finance Committee has already put in place their 2019 Chart of Work and part of that is to invite the Chairs from the other committees to a certain finance committee meeting to have a live crossover discussion and asked everyone to keep a look out for the invitations to follow. (Crystal inserting comment to minutes but was not announced during the meeting. Those intersection invitations have already been sent out for 2019.)
- Juliette mentioned the financial highlight page in the BOD packet and wanted to clarify something for the BOD. The actual and budget was significantly off; \$4 million dollars. The finance committee just wanted to clarify that this is because we took over Pomona and that is why there was such a large variance.

Other Business/QA

- Jeff added that the YMCA of OC signed a management agreement Monday with the YMCA of Orange. There were some red flags at first and we did not want to leave ourselves vulnerable so we also signed a grant agreement. This basically means they



BOARD OF DIRECTORS MEETING MINTUES

sign all their assets over to us. The management agreement goes into effect on 10/29 and the hope is that we will fully absorb YMCA of Orange in early 2019.

- Jeff also added that Christine Salas is working with LA YMCA as well as San Diego YMCA to see if we can form a partnership to be able to pool all of our staff together for a more robust healthcare package for our employees.
- Anna wanted to share that she is working on a campaign starting with the “giving season; November through January” and would love to get some quotes from the BOD members. We will be asking for a Statement from you telling everyone “Why you are a part of our Y”. So be on the lookout for that email from Crystal.

Adjourn

855am



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Executive Committee

Teleconference
November 26, 2018

EXECUTIVE COMMITTEE MEETING

Teleconference
November 26, 2018

Present: Jeff McBride, Rosanna Coveyou, David Lamb, Juliette Meunier, John Rochford, Joyce Kirchhofer, Weikko Wirta, Dolores Daly

Absent: Michael Hahn

Guests: None

The meeting was called to order at 1:06pm

Decisions

The Executive Committee voted to approve the closing of Murrieta.

- ✚ Dave Lamb motions the approval for the closing of Murrieta
- ✚ Juliette Meunier seconds the motion
- ✚ All other members are in favor

Discussion

An Executive Committee meeting was called to discuss the closing of Murrieta branch. The details were initially discussed in a Finance Committee meeting on October 18, 2018 and the staff's recommendation to close Murrieta was agreed to with the condition that it also goes through the Facilities Capital Committee. A Facilities Capital Meeting was held on October 24th to discuss. Facilities Capital requested more detail regarding the closure and wanted to ensure we have explored all options. A secondary Facilities Capital Meeting was held on November 15th where the overall findings and analysis were presented.

Executive Committee was given all facts and numbers (losses) related to this facility and motioned the approval for closing.

- ✚ Dave Lamb motions the approval for the closing of Murrieta
- ✚ Juliette Meunier seconds the motion
- ✚ All other members are in favor

The meeting adjourned at 1:38pm



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Finance Committee Meeting Minutes

November 28, 2018

FINANCE COMMITTEE MEETING MINUTES
November 26, 2018 11:30 a.m.
YMCA – Tustin Office – Front Conference Room

Juliette – call to order 11:36am

Attendees: Sean Peasley, Juliette Meunier, Dolores Daly, Greg Custer, Jeff McBride, Joyce Kirchhofer, Minh Hoang, Brian Constable, Ryan Fessler, Crystal Immerman

Decisions:

1. October 17, 2018 – Finance Committee Minutes Approved
2. 2019 YMCA of Orange County Budget Approved
3. 2019 Tipper, LLC Budget Approved

1. Review/Approve (Juliette Meunier)

- Minutes of October Finance Committee Meeting
 - Clarifications were given regarding the health benefits audit
 - The YMCA does have an audit system in place
 - Reserves for additional expenses and liabilities
 - This question will be discussed outside of this meeting between Juliette and Joyce
 - An update will be given at our next Committee Meeting.

+ Juliette – Motions to approve and accept the minutes as presented.

+ Sean seconds the motion

+ All other attendees in favor

*** Investment Committee Discussion (Juliette & Greg)***

- Juliette stated that Greg is here because we had an intersection meeting between Finance and Investment and we need to start thinking about how to use the money. Greg brought up a lot of questions that were geared more towards the finance committee. Although this will be an ongoing process and more conversations will be had between the two committees we wanted to bring it to everyone's attention.
 - Greg stated that the Investment Committee Charter is to manage the assets and the objectives need to be determined. It has been discussed that we have 4% and in his opinion it will likely not be sustainable.
 - Minh stated that he struggles with a "fixed" percentage.
 - Sean asked if we have to separate 4% that we give to CARES.
 - Greg stated that we should allocate funds in 3 different sessions or do what we can for long term portfolio and this would give us x percent and it's always growing. There are many ways to "slice this apple" but the Investment Committee needs to know what the apple really looks like.
 - Jeff agrees and states this is an ever changing process but we should have some kind roadmap.

- Joyce stated that the liability under trust agreement on the balance sheet is an asset transfer of approximately \$70,000 from Pomona.
 - It is a Charitable Remainder Unitrust
 - The person is 102 years old and the revenue will still show until she passes.
 - Morgan Stanley manages these funds and the trustee is YMCA of Orange County.
 - Greg would like to look at it from a risk standpoint
 - Joyce will provide the information needed

2. October Financials (Alicia Chacon-Bidwell)

- YMCA – Alicia went over the Financials through 10/2018 (see financial highlight handout in packet).
 - Alicia noted programs experiencing the largest net loss
 - Murrieta -\$567k
 - Huntington Beach - \$489k
 - Juliette asked if there was a reason why we were waiting out this loss.
 - Alicia states a new director has been hired for this branch
 - Dolores stated that the hope to is achieve a positive net outcome by the end of the lease term which is 1 more year. HB was actually netting at one point and we feel the loss was related to management and competition (that never came to fruition).
 - If this goal is not met then we will not renew the lease
 - Brian would like to know what the “break even” number is for HB
 - Joyce will look that up and let him know.
 - YMCA of Orange
 - Dissolution efforts are being made and we hope to have all programs and staff moved to YMCA OC by December 1st.
 - Service areas are Orange, Anaheim Hills and Villa Park
 - Ryan asked if the assumption of Orange would be a loss.
 - Dolores stated we have already re-evaluated everything and the changes made should result in a small surplus. Also, there will be about \$1.5M cash transferred to YMCA OC. All of this cash will be reinvested into the Orange Y service area for Program Development.
 - Brian asked if there is a process to reallocate the losses, if any, when a new site is absorbed.
 - Joyce responded yes and she can discuss the process with Brian offline when they meet.
 - Sean asked if there was a certain point on the unfavorable variances when and if we “kick in”.
 - Juliette responded stating that at a certain point in time if there are too many losses then the Finance Committee will take it to the Facilities Capital

Committee as well as management to investigate and discuss further. There are also some decisions to retain losing programs for mission reasons.

- Tipper
 - Coming in close to budget.
 - Tipper was not in the 2018 budget but is in the 2019 budget.

3. 2019 Budget (Joyce Kirchhofer)

- YMCA - Joyce noted that there are roughly 300 individual budgets that are consolidated into the YOC budget. It is a joint effort and some tough decisions have to be made.
- We have a lot of challenges factoring into the 2019 budget
 - Minimum wage increase
 - Insurance increases
 - Workers Comp
 - Improvement Cost
- We are also focusing on assessing sustainability, growth opportunities, staff development and our continual work towards the culture change.
- Overall revenue is just under \$44M, Operating Net \$3.7M
 - 1 million Net Outcome which is 2.3% of revenue.

	2019 Budget	
	Amount	% Revenue
Revenue	\$ 43,616,000	100.0%
Expense	39,954,025	91.6%
Operating Net	3,661,975	8.4%
Scholarships Awarded	(1,004,507)	-2.3%
Interest Expense	(76,174)	-0.2%
Depreciation	(1,449,738)	-3.3%
Investment in Subsidiary (Tipper, LLC)	(131,438)	-0.3%
Net Outcome	\$ 1,000,118	2.3%

- Brian asked if there is a target? Historical number?
 - Joyce stated we want to have a million dollar minimum.
- CAPX went from \$2k-\$5k minimum limit
- Child Care
 - YMCA is losing the Kplus program
 - We are going to increase Child Care Rates as of January by 3.5%
 - Brian asked about the method we used to determine the 3.5% increase.

- Dolores stated that we shopped child care sites that offer the same services then looked back on the last increase which was 2 years ago.
 - Dolores added that we looked at all the numbers and it was about a \$17 increase per month to the families. It will hit our bottom line but it's not a significant increase to our families.
 - Brian asked "What is the percentage of difference in price from the for profits?"
 - Dolores will get the numbers to Brian.
 - Dolores added that we are looking at growth by offering enrichment programs through our clubs.
- Membership Rates
 - \$231,000 increased revenue due to price increases
 - Minh would like to know who our competitors are
 - Dolores will send the market analysis out to the committee that shows competitors and where the YMCA fits in.
- Corporate Initiatives
 - Juliette noticed this is going down significantly and asked why
 - Joyce states that Corporate Initiatives is more of a "global" category of items that have not yet been assigned to a branch.
 - Director of Operations – she manages multiple branches
 - CAMP – we are trying to bring a few items back for camp
 - CARES/PDF funding will be awarded and is budgeted and will end up in this area.
 - CARES/PDF funding to be awarded is budgeted.
 - Sean what is the typical request for this?
 - There is \$150k budgeted
 - Used \$136k this year
 - Dolores added that we have never given away all the money that has been set aside.
 - Murrieta closes 12/31 employees will be paid thru 1/31.
 - One severance package possible
 - 1 week per every year of employment
- Juliette would like to share our strategic plan with members that are in committees and not on the BOD.
 - Crystal will work with Joyce and Dolores once plan is finalized.
- What is fair share?
 - Franchise fee to the YMCA of USA
- Juliette asked about professional fees? 1.8 million seems high, what is in there? Joyce states:
 - Audit, maintenance, legal, consulting
 - IT staff members are consultants
 - We are going through an IT audit next week
 - Juliette asked if anyone looked at "normal" professional fees to see if the rates are reasonable?
 - Joyce stated not yet but we are going to.
- Ryan asked about the majority of the PR budget. What is it?

- Social media
- Reville (proactive stories)
- Juliette – what is cost of sales?
 - Fundraising revenues
 - Expenses to run the minor fundraising events.
 - (not major events such as crab feast)
- Fixed asset purchases have gone down quite a bit
 - Sean, isn't there some deferred maintenance
 - Newport Mesa – parking lot, plumbing, pool heater
 - Approx. \$212,000.
 - This is just to sustain there.
 - These numbers are in there in the depreciation line.
 - The largest is in Childcare and it is for
 - Portables
 - ACs
 - Ryan stated that it might be helpful to have a cash budget.
 - Joyce stated that started this process but was unable to finish for this meeting. She will finish it out and update the balance sheet and will send it out to the group.

✚ Juliette – Motions to approve and accept the minutes as presented.

✚ Ryan seconds the motion

✚ All other attendees in favor

Tipper, LLC - 2019 Budget Presented

Tipper, LLC
2019 Proposed Budget
Net Outcome By Major Account Groups

DESCRIPTION	2019 BUDGET		2018 PROJECTED		VARIANCE	
	Amount	% REV	Amount	% REV	Amount	%
1200 Facility Revenue	492,950	100.0%	463,945	100.0%	29,005	6.3%
REVENUE TOTAL	492,950	100.0%	463,945	100.0%	29,005	6.3%
2400 Professional Fees	28,555	5.8%	25,301	5.5%	(3,254)	-12.9%
2500 Supplies	6,600	1.3%	5,992	1.3%	(608)	-10.1%
2600 Telephone	2,940	0.6%	5,354	1.2%	2,414	45.1%
2700 Postage	240	0.0%	90	0.0%	(150)	-166.7%
2800 Occupancy	236,022	47.9%	267,547	57.7%	31,525	11.8%
3000 Public Relations/Promotio	1,750	0.4%	2,001	0.4%	251	12.5%
3600 Administrative Expense	45	0.0%	45	0.0%	-	-100.0%
EXPENSE TOTAL	276,152	56.0%	306,330	66.0%	30,178	9.9%
OPERATING NET	216,798	44.0%	157,615	34.0%	59,183	37.5%
5200 Interest Expense	(124,776)	-25.3%	(123,216)	-26.6%	(1,560)	-1.3%
2890 Depreciation Expense	(222,660)	-45.2%	(205,118)	-44.2%	(17,542)	-8.6%
5600 Income Taxes	(800)	-0.2%	(800)	-0.2%	-	0.0%
NET OUTCOME	(131,438)	-26.7%	(171,519)	-37.0%	40,081	-23.4%

✚ Juliette – Motions to approve and accept the Tipper Budget as presented.

✚ Sean seconds the motion

✚ All other attendees in favor

Adjourns – 1:02pm.

Next Regular Meeting: December 19, 2018

YMCA of Orange County

Financial Highlights – Year to Date

October 2018

Assets	\$ 36.5M
Liabilities	\$ 8.5M
Net Assets	\$ 28M

	Actual	Budget	Variance
Revenue	\$ 40,080,864	\$ 34,761,270	\$ 5,319,594
Expenses	35,176,387	33,766,220	(1,410,167)
Net Outcome	\$ 4,904,477	\$ 995,050	\$ 3,909,427

The balance sheet is strong. In the last 11 years, we have grown from \$15M in Assets to \$36M that includes Cash & Investments of \$5M initially and now they are at \$14M. This year alone, assets have increased about \$4M which is due to the transfer of the Pomona Valley YMCA assets, primarily from two properties.

Year to date the organization has produced a \$4.9M surplus (12.2% of revenue), creating a \$3.9M positive variance to budget. The final Pomona Valley YMCA asset transfer was completed in September, year to date this accounts for \$4.4M with another \$1.3M bequest received from Dale Dykema's trust. Items of significant impact include 1) Murrieta actual deficit of (\$567k) and a negative variance of (\$221k); 2) Huntington Beach actual deficit of (\$489k) and a negative variance of (\$373k); 3) Tipper, LLC net loss unbudgeted (\$153k), 4) Bi360 software written off for (\$108k), 5) legal and consulting fees beyond the normal course of business accounts for about (\$275k), 6) a budgeting error for Camp ELK of (\$278k) related to the timing of grant income recognition and 7) Investment valuations and Realized Gains/Losses not budgeted (\$365k).

Program and branches achieving a positive net outcome includes; Childcare + \$3.6M (17.3% of their revenue), Laguna Niguel +\$27k (13.5% of their revenue), YMCA Community Services (New Horizons) + \$271k (28.1% of their revenue) and Fullerton +\$130k (6% of their revenue).

Branches experiencing the largest net operating loss includes; Murrieta (\$567k), Huntington Beach (\$489k), Camp ELK (\$180), Santa Ana (\$168k) and Newport Mesa (\$96k) and Maple Hill (\$97k).

The market and demographics in Murrieta are such that we have not been nor will we ever be successful. A detailed assessment has been conducted, we have determined that we need to cut our losses and close the Murrieta branch. This has been discussed with both the Finance Committee and the Facilities and Capital Committee, they are in agreement. Huntington Beach was able to reach a positive net at one point, but this was lost due to poor leadership. A new Associate Executive Director has been appointed and will work towards a positive net outcome again. If a positive net outcome cannot be achieved by the end of the lease term, it will not be renewed.

While overall the organization is doing well, we recognize that just like any other business, it is imperative that branches and programs are evaluated on a regular basis and plans are developed and implemented to ensure all are performing as needed for the organization. We will also keep moving forward with new opportunities for growth. We are actively working with the YMCA of Orange to assist with their dissolution and bring over their programs and staff to the YMCA of Orange County effective December 1st. The new service area covers Orange, Anaheim Hills and Villa Park.

YMCA of Orange County
Statement of Financial Position-Consolidated
10/31/18

	<u>10/31/2018</u>	<u>12/31/2017</u>
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$2,834,222	\$2,053,392
Investments	10,901,719	11,838,504
Accounts Receivable - Net Allowance	923,075	738,632
Annual Pledges Receivable - Net Allowance	55,156	25,392
Deposits and Prepaid Rent	79,430	173,666
Prepaid Insurance	17,804	106,150
Other Prepaid Expenses	324,151	289,156
Total Current Assets	<u>15,135,557</u>	<u>15,224,892</u>
<i>Other Assets</i>		
Property, Plant and Equipment, Net	<u>21,326,852</u>	<u>17,686,296</u>
Total Other Assets	<u>21,326,852</u>	<u>17,686,296</u>
Total Assets	<u><u>\$36,462,409</u></u>	<u><u>\$32,911,188</u></u>
LIABILITIES AND NET ASSETS		
<i>Current Liabilities</i>		
Accounts Payable	\$375,771	\$624,753
Liability Under Trust Agmt	5,627	0
Accrued Payroll and Employee Benefits	2,029,465	1,725,220
Program Fees Received In Advance - Other	1,409,519	1,272,028
Total Current Liabilities	<u>3,820,382</u>	<u>3,622,001</u>
<i>Long-term Liabilities</i>		
Self-Insurance Liability and Other Reserves	159,397	410,442
Notes Payable	4,561,654	4,759,121
Total Long-Term Liabilities	<u>4,721,051</u>	<u>5,169,563</u>
Total Liabilities	<u>8,541,433</u>	<u>8,791,564</u>
<i>Net Assets</i>		
Current Operations - YMCA	4,904,478	1,285,381
Current Operations - Tipper, LLC	(153,341)	(1,389)
Current Operations (Restricted,Capital & Endowment)	(949,786)	707,831
Unrestricted/Temporarily/Permanently Restricted	24,119,625	22,127,801
Total Net Assets	<u>27,920,976</u>	<u>24,119,624</u>
Total Liabilities And Net Assets	<u><u>\$36,462,409</u></u>	<u><u>\$32,911,188</u></u>

YMCA of Orange County
Association Summary by Branch
For the Ten Months Ending
October 31, 2018

	Year-to-Date				YTD Comparison		
	Actual	Budget	Variance	% Variance	Prior YTD	Curr YTD vs Prior YTD	% Variance
Revenue By Branch							
Fullerton Family	\$2,173,521	\$2,207,172	(\$33,651)	-1.5%	\$2,148,222	\$25,299	1.2%
Santa Ana Family	738,349	631,404	106,945	16.9%	712,572	25,777	3.6%
Huntington Beach Family	1,373,716	1,482,585	(108,869)	-7.3%	1,404,829	(31,113)	-2.2%
Yorba Linda/Placentia Family	252,163	247,151	5,012	2.0%	378,009	(125,846)	-33.3%
Newport Mesa Family	1,963,671	1,942,367	21,304	1.1%	2,013,641	(49,970)	-2.5%
YMCA Community Services	964,654	927,408	37,246	4.0%	962,946	1,708	0.2%
Laguna Niguel Family	2,430,858	2,200,551	230,307	10.5%	2,080,652	350,206	16.8%
Mission Viejo Family	2,540,601	2,384,857	155,744	6.5%	2,618,535	(77,934)	-3.0%
Capistrano Beach Family	0	0	0	0.0%	214,082	(214,082)	-100.0%
Rancho Mission Viejo	16,337	0	16,337	#DIV/0!	0	16,337	#DIV/0!
Childcare	20,487,326	20,208,776	278,550	1.4%	18,956,652	1,530,674	8.1%
Camp E.L.K.	513,197	882,336	(369,139)	-41.8%	1,162,444	(649,247)	-55.9%
San Gabriel Valley	78,216	76,513	1,703	2.2%	90,318	(12,102)	-13.4%
YMCA of Riverside County	0	0	0	0.0%	17,068	(17,068)	-100.0%
Murrieta Family	560,929	790,761	(229,832)	-29.1%	618,967	(58,038)	-9.4%
Pomona Valley	578,954	154,000	424,954	275.9%	195,492	383,462	196.2%
Maple Hill Family	218,193	200,167	18,026	9.0%	92,232	125,961	136.6%
Corporate Initiatives	119,626	93,820	25,806	27.5%	67,530	52,096	77.1%
Association Office	5,070,553	331,402	4,739,151	1430.0%	2,015,487	3,055,066	151.6%
Total Revenue	40,080,864	34,761,270	5,319,594	15.3%	35,749,678	4,331,186	12.1%
Expenses By Branch							
Fullerton Family	2,043,621	2,146,993	103,372	4.8%	1,879,336	(164,285)	-8.7%
Santa Ana Family	906,580	871,247	(35,333)	-4.1%	714,571	(192,009)	-26.9%
Huntington Beach Family	1,862,416	1,597,841	(264,575)	-16.6%	1,521,166	(341,250)	-22.4%
Yorba Linda/Placentia Family	264,620	252,822	(11,798)	-4.7%	321,110	56,490	17.6%
Newport Mesa Family	2,059,713	1,931,631	(128,082)	-6.6%	1,867,959	(191,754)	-10.3%
YMCA Community Services	693,702	697,913	4,211	0.6%	636,445	(57,257)	-9.0%
Laguna Niguel Family	2,103,157	2,072,561	(30,596)	-1.5%	1,803,401	(299,756)	-16.6%
Mission Viejo Family	2,521,158	2,444,533	(76,625)	-3.1%	2,664,952	143,794	5.4%
Capistrano Beach Family	0	0	0	0.0%	143,157	143,157	100.0%
Rancho Mission Viejo	21,842	0	(21,842)	#DIV/0!	0	(21,842)	#DIV/0!
Childcare	16,937,058	16,503,826	(433,232)	-2.6%	15,600,877	(1,336,181)	-8.6%
Camp E.L.K.	692,787	637,467	(55,320)	-8.7%	574,979	(117,808)	-20.5%
San Gabriel Valley	78,744	80,507	1,763	2.2%	95,044	16,300	17.1%
YMCA of Riverside County	0	3,324	3,324	100.0%	65,491	65,491	100.0%
Murrieta Family	1,127,898	1,136,096	8,198	0.7%	1,184,968	57,070	4.8%
Pomona Valley	464,059	153,176	(310,883)	-203.0%	230,984	(233,075)	-100.9%
Maple Hill Family	315,371	294,774	(20,597)	-7.0%	130,246	(185,125)	-142.1%
Sunset Crossing	0	0	0	0.0%	64	64	100.0%
Corporate Initiatives	104,625	90,396	(14,229)	-15.7%	48,483	(56,142)	-115.8%
Association Office	2,979,036	2,851,113	(127,923)	-4.5%	3,355,356	376,320	11.2%
Total Expenses	35,176,387	33,766,220	(1,410,167)	-4.2%	32,838,589	(2,337,798)	-7.1%

YMCA of Orange County

Association Summary by Branch

For the Ten Months Ending

October 31, 2018

	Year-to-Date				YTD Comparison		
	Actual	Budget	Variance	% Variance	Prior YTD	Curr YTD vs Prior YTD	% Variance
Net Outcome by Branch							
Fullerton Family	129,900	60,179	69,721	115.9%	268,886	(138,986)	-51.7%
Santa Ana Family	(168,231)	(239,843)	71,612	29.9%	(1,999)	(166,232)	-8315.8%
Huntington Beach Family	(488,700)	(115,256)	(373,444)	-324.0%	(116,337)	(372,363)	-320.1%
Yorba Linda/Placentia Family	(12,457)	(5,671)	(6,786)	-119.7%	56,899	(69,356)	-121.9%
Newport Mesa Family	(96,042)	10,736	(106,778)	-994.6%	145,682	(241,724)	-165.9%
YMCA Community Services	270,952	229,495	41,457	18.1%	326,501	(55,549)	-17.0%
Laguna Niguel Family	327,701	127,990	199,711	156.0%	277,251	50,450	18.2%
Mission Viejo Family	19,443	(59,676)	79,119	132.6%	(46,417)	65,860	141.9%
Capistrano Beach Family	0	0	0	0.0%	70,925	(70,925)	-100.0%
Rancho Mission Viejo	(5,505)	0	(5,505)	#DIV/0!	0	(5,505)	#DIV/0!
Childcare	3,550,268	3,704,950	(154,682)	-4.2%	3,355,775	194,493	5.8%
Camp E.L.K.	(179,590)	244,869	(424,459)	-173.3%	587,465	(767,055)	-130.6%
San Gabriel Valley	(528)	(3,994)	3,466	86.8%	(4,726)	4,198	88.8%
YMCA of Riverside County	0	(3,324)	3,324	100.0%	(48,423)	48,423	100.0%
Murrieta Family	(566,969)	(345,335)	(221,634)	-64.2%	(566,001)	(968)	-0.2%
Pomona Valley	114,895	824	114,071	13843.6%	(35,492)	150,387	423.7%
Maple Hill Family	(97,178)	(94,607)	(2,571)	-2.7%	(38,014)	(59,164)	-155.6%
Sunset Crossing	0	0	0	0.0%	(64)	64	100.0%
Corporate Initiatives	15,001	3,424	11,577	338.1%	19,047	(4,046)	-21.2%
Association Office	2,091,517	(2,519,711)	4,611,228	183.0%	(1,339,869)	3,431,386	256.1%
Total Net Outcome	4,904,477	995,050	3,909,427	392.9%	2,911,089	1,993,388	68.5%

Note: Investment activity is not budgeted but is in the actual numbers above in the Association Office Revenue & Net Outcome rows.

	Current YTD	Prior YTD
Investment Valuation - Gain /	(305,739)	956,698
Short Term Gain (Loss)	(40,852)	5,327
Long Term Gain (Loss)	(18,600)	39,831
Total	(365,191)	1,001,856

YMCA of Orange County
Investment Activity
For the Ten Months Ending
October 31, 2018

	<u>YTD Actual</u>
<i>Beginning Balance</i>	\$ 11,838,504
Transfers In / (Out)	(791,919)
Payments To Beneficiary	(373)
Interest	50,602
Dividends	215,213
Investment Valuation Change	(305,739)
Short Term Gain (Loss)	(40,852)
Long Term Gain (Loss)	(18,600)
Less: Investment Fees	(45,491)
<i>Net Investment Income/(Loss)</i>	<u>(144,866)</u>
 <i>Ending Balance</i>	 <u><u>\$ 10,901,719</u></u>
 <i>YTD Growth/(Decline) %</i>	 -1.22%

Tipper, LLC
Profit & Loss Statement
For the Ten Months Ending
October 31, 2018

	YTD		
	Actual	Budget	Act vs Bud Variance
Revenue			
1210 Facility Rental	\$351,563.88	\$338,184.00	\$13,379.88
Net Revenue Totals	351,563.88	338,184.00	13,379.88
Expense			
2520 Maintenance/Janitorial Supplies	4,986.57	2,439.00	(2,547.57)
2610 Telephone-Regular Service	3,876.25	3,537.00	(339.25)
2710 Postage	57.00	89.00	32.00
2845 Facility Maintenance	82,912.03	53,738.00	(29,174.03)
3012 Promo & Advertising	1,581.09	1,500.00	(81.09)
Program Services Sub-Total	93,412.94	61,303.00	(32,109.94)
2410 Legal Fees	10,911.00	2,717.00	(8,194.00)
2415 Audit Fees	8,000.00	0.00	(8,000.00)
2450 Consulting Fees	7,153.22	1,396.00	(5,757.22)
2480 DP Service/Maint Contrct	600.00	600.00	0.00
2820 Bldg Licenses & Permits	45.50	0.00	(45.50)
2830 Operating Expense	0.00	0.00	0.00
2831 Electricity	40,159.96	44,648.00	4,488.04
2832 Gas	2,976.39	4,519.00	1,542.61
2833 Water and Sewer	4,212.11	3,395.00	(817.11)
2834 Refuse Collection	2,204.37	2,187.00	(17.37)
2843 Landscape Maint	14,818.74	12,944.00	(1,874.74)
2848 Exterminator Service	330.00	440.00	110.00
2850 Real And Personal Taxes	27,849.64	56,750.00	28,900.36
2860 Property Management	11,483.93	11,828.00	344.07
2880 Property/Liability Insurance	6,433.00	6,433.00	0.00
3620 Bank Fees	45.00	45.00	0.00
3690 Misc Admin Expense	0.00	0.00	0.00
Supporting Services Sub-Total	137,222.86	147,902.00	10,679.14
Total Operating Expenses	230,635.80	209,205.00	(21,430.80)
EBITDA	\$120,928.08	\$128,979.00	(\$8,050.92)
2890 Depreciation Expense	(169,858.17)	(169,529.00)	(329.17)
5215 Interest Expense-External	(102,810.54)	(102,639.00)	(171.54)
5610 Income Taxes Fed & State	(1,600.00)	(1,600.00)	0.00
4810 Association Services	0.00	(8,000.00)	8,000.00
Total Non-Operating Expenses	(274,268.71)	(281,768.00)	(7,499.29)
Net Income/(Loss)	(\$153,340.63)	(\$152,789.00)	(\$551.63)



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Action Item

Approval of
Amendment to the Articles of Incorporation

**YMCA OF ORANGE COUNTY
BOARD OF DIRECTORS**

ACTION ITEM

FOR BOARD ACTION ON:

Friday, December 7, 2018

RECOMMENDED BY:

Jeff McBride, CEO
Joyce Kirchhofer, CFO
Michael Hahn, Secretary

RECOMMENDATION:

The Board of Directors approves the resolution amending the Articles of Incorporation.

REASON FOR ACTION:

Articles of Incorporation must be amended to include qualifying irrevocable dedication clause. Otherwise, the corporation's BOE Organizational Clearance Certificate will be revoked, welfare tax exemptions will be denied and business property tax will be due.

FINANCIAL IMPACT AND FUNDING SOURCE:

None

YOUNG MEN’S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

RESOLUTIONS AND MINUTES OF A MEETING

HELD BY THE BOARD OF DIRECTORS

The Board of Directors (the “Board”) of Young Men’s Christian Association of Orange County, a California nonprofit public benefit corporation (the “Corporation”), acting pursuant to Section 5211(a) of the California Nonprofit Public Benefit Corporation Law (the “Law”), adopted the following resolutions by the required votes at a meeting duly noticed and held on _____, 2018:

adoption of AMENDMENT TO ARTICLES OF INCORPORATION

WHEREAS, the California State Board of Equalization has advised that the Corporation must amend its Articles of Incorporation, as last amended and restated on October 30, 1998 (the “Articles”), so as to include an irrevocable dedication clause that meets the current requirements for the issuance of an Organizational Clearance Certificate pursuant to section 214 of the California Revenue and Taxation Code;

WHEREAS, the Board finds it to be in the best interests of the Corporation to amend the existing irrevocable dedication clause located in Article II, Section 2.3(b) of the Articles so as to comply with the foregoing requirement and maintain its Organizational Clearance Certificate in good standing; and

WHEREAS, the Certificate of Amendment to Articles of Incorporation attached hereto as **Exhibit A** (the “Certificate of Amendment”) has been reviewed by the Board;

NOW, THEREFORE, BE IT RESOLVED, that Article II, Section 2.3(b) of the Articles shall be amended and restated to read in its entirety as indicated on the Certificate of Amendment, which Certificate of Amendment is hereby adopted and approved in all respects;

RESOLVED, FURTHER, that the President and the Secretary of the Corporation be, and hereby are, authorized and directed to execute the Certificate of Amendment and to cause the same to be filed with the California Secretary of State; and

RESOLVED, FURTHER, that the Secretary of the Corporation is directed to see that a certified copy of the Certificate of Amendment, together with a certified copy of the Articles, are maintained as a single document at the principal office of the Corporation in accordance with Section 5160 of the Law.

FILING

BE IT RESOLVED, that the Secretary of the Corporation is hereby directed to file and maintain these minutes of the foregoing proceedings of the Board with the corporate records of the Corporation.

(Secretary's certificate follows)

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify:

That I am the duly elected, qualified and acting Secretary of the Young Men's Christian Association of Orange County, a California nonprofit public benefit corporation (the "Corporation"); and

That the foregoing resolutions and minutes of the Corporation accurately reflect the discussion held and resolutions adopted at a duly noticed meeting of the Board of Directors of the Corporation held on the date first above written and attended by at least the required quorum of the directors of the Corporation.

Michael Hahn, Secretary

Exhibit A

Certificate of Amendment to Articles of Incorporation

**CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION**

Jeff McBride and Michael Hahn certify that:

1. They are the President and Secretary, respectively, of Young Men's Christian Association of Orange County, a California nonprofit public benefit corporation (the "Corporation").
2. Article II, Section 2.3(b) of the Articles of Incorporation of the Corporation is amended and restated to read as follows:

(b) The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private person.
3. The foregoing amendment of the Articles of Incorporation of Young Men's Christian Association of Orange County has been duly approved by the Board of Directors of the Corporation.
4. The Corporation has no members.

(Signature page follows)

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: December 7, 2018

Jeff McBride
President

Michael Hahn
Secretary



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Action Item

Approval of
2019 YMCA of Orange County Budget

**YMCA OF ORANGE COUNTY
BOARD OF DIRECTORS**

ACTION ITEM

FOR BOARD ACTION ON:

Friday, December 7, 2018

RECOMMENDED BY:

Finance Committee
Juliette Meunier, Treasurer
Joyce Kirchhofer, CFO

RECOMMENDATION:

The Board of Directors approves the Association 2019 budget, which projects a Net Outcome of \$1,000,118 for the Association for the year.

REASON FOR ACTION:

The annual Association Budgeted Operating Plan requires Board approval. Finance Committee has reviewed and approved the 2019 Budget as presented.

FINANCIAL IMPACT AND FUNDING SOURCE:

Projected surplus operating margin.

YMCA of Orange County 2019 Budget Highlights

While the 2019 budget is achievable, it will definitely take work to reach the goals set out. We took a realistic and conservative approach to the budgets but like any business there are many moving parts. The budget created has realistic growth and reasonable expenses and is a compilation of about 300 individual program/administrative budgets that roll up into the YMCA of Orange County's consolidated budget. This has been a joint effort, especially within the leadership team collectively dealing with the tough final budget decisions. 2019 is going to be a year of conquering challenges, assessing the sustainability of what we currently have, a focus on growth opportunities, development of staff and continuing the hard work towards progressing our culture change.

	2019 Budget	
	Amount	% Revenue
Revenue	\$ 43,616,000	100.0%
Expense	39,954,025	91.6%
Operating Net	3,661,975	8.4%
Scholarships Awarded	(1,004,507)	-2.3%
Interest Expense	(76,174)	-0.2%
Depreciation	(1,449,738)	-3.3%
Investment in Subsidiary (Tipper, LLC)	(131,438)	-0.3%
Net Outcome	\$ 1,000,118	2.3%

A few contributing factors that impact the 2019 budget include:

1. Increases to minimum wage
2. Improvement projects
3. Capital Expenditure limit increases from \$2,000 to \$5,000
4. Increase to Workers Compensation rates
5. Intentional investments that align with our continued focus to change the culture of the YMCA of Orange County and expand it from the Association Office, out to the branches and programs, ensuring staff are:
 - a. Treated well , recognized and valued
 - b. Compensated appropriately
 - c. Given opportunities for growth
6. Closing the Murrieta branch
7. Childcare rate increases 3.5% starting in January
8. Childcare will lose the K+ program due to CUSD decision to move the Kindergarten program from part day to full day
9. Membership increases 5% for full facilities and 3% for storefronts (January for new members & April for current members)

Below provides a brief summary of significant impacts to the 2019 budget:

1. Childcare Rate Increases = \$770,000
2. Membership Rate Increases = \$231,000
3. Minimum Wage Increase = \$240,000
4. Expenses related to Capital Expenditure limit increase = \$230,000

5. Workers Compensation Rate + Mod Rate Increases = \$150,000
6. Loss of K+ Program = \$800,000 in revenue
7. Murrieta branch, if kept open would have been a loss of about \$580,000
8. Association Contingency = \$400,000

Other Items to Note:

1. The Investment in Subsidiaries loss of \$131,000 is the expected net outcome for Tipper, LLC, the company that holds title to the Tustin building. The YMCA is the sole member of Tipper, LLC.
2. The CARES/PDF funding is budgeted for \$150,000, in 2018 \$146,000 has been awarded from both CARES/PDF funds.
3. To help meet the budget target, while not negatively impacting services provided, subsequent to the Facilities and Capital Committee approval of the 2019 Capital Expenditures, we did deny a few more capital expenditure items that totaled \$266,500.
4. In 2018 \$4.4M was received from the Pomona Valley Y's asset transfer and \$1.3M was received from Dale Dykema's trust, this causes a large variance when comparing 2018 to 2019. This is part of the variance for the Association Office.
5. So far, during 2018, we have experienced (\$365k) in valuation decreases and losses on sale of investments, this was not budgeted for in 2019; this is also part of the variance for the Association Office.
6. The Orange YMCA's service area will join the YMCA of OC association, at this point, it is premature to include this in our 2019 budget. We anticipate at least a \$1M cash asset transfer in 2019.

YMCA of Orange County
2019 Proposed Budget
Net Outcome By Major Account Groups

DESCRIPTION	2019 BUDGET		2018 PROJECTED		VARIANCE	
	Amount	% REV	Amount	% REV	Amount	%
0100 Contributions	190,357	0.4%	6,256,798	13.0%	(6,066,441)	-97.0%
0200 Campaign Revenue	824,501	1.9%	853,936	1.8%	(29,435)	-3.4%
0500 Special Events Revenue	259,500	0.6%	304,860	0.6%	(45,360)	-14.9%
0800 Contracts Revenue	108,000	0.2%	-	0.0%	108,000	100.0%
0900 Govt Contracts/Grants	1,925,066	4.4%	1,983,684	4.1%	(58,618)	-3.0%
1000 Memberships	7,660,107	17.6%	8,105,434	16.9%	(445,327)	-5.5%
1100 Adventure Guides Programs	1,890,396	4.3%	2,035,441	4.2%	(145,045)	-7.1%
1200 Facility Revenue	572,385	1.3%	607,163	1.3%	(34,778)	-5.7%
1300 Camping	1,720,961	3.9%	1,425,518	3.0%	295,443	20.7%
1400 Child/Senior Day Care	23,449,130	53.8%	21,744,878	45.3%	1,704,252	7.8%
1500 Sports/Aqua/Fitness Prog	3,498,885	8.0%	3,183,468	6.6%	315,417	9.9%
1600 Community Program Fees	1,420,768	3.3%	1,345,094	2.8%	75,674	5.6%
1700 Revenue Adjustments	(254,595)	-0.6%	(311,731)	-0.6%	57,136	18.3%
1800 Miscellaneous/Int Revenue	350,539	0.8%	483,329	1.0%	(132,790)	-27.5%
REVENUE TOTAL	43,616,000	100.0%	48,017,872	100.0%	(4,401,872)	-9.2%
2100 Salary Expense	21,309,177	48.9%	21,093,659	43.9%	(215,518)	-1.0%
2200 Employee Benefits	2,029,528	4.7%	1,903,369	4.0%	(126,159)	-6.6%
2300 Payroll Taxes	2,663,977	6.1%	2,431,589	5.1%	(232,388)	-9.6%
2400 Professional Fees	1,761,973	4.0%	2,060,242	4.3%	298,269	14.5%
2500 Supplies	329,503	0.8%	340,924	0.7%	11,421	3.4%
2600 Telephone	416,562	1.0%	457,507	1.0%	40,945	8.9%
2700 Postage	35,427	0.1%	36,836	0.1%	1,409	3.8%
2800 Occupancy	3,506,059	8.0%	3,763,718	7.8%	257,659	6.8%
2900 Equipment	155,406	0.4%	210,080	0.4%	54,674	26.0%
3000 Public Relations/Promotio	559,383	1.3%	564,173	1.2%	4,790	0.8%
3100 Campaign	73,292	0.2%	61,507	0.1%	(11,785)	-19.2%
3200 Travel Expense	99,239	0.2%	90,770	0.2%	(8,469)	-9.3%
3300 Meetings/Training/Confer.	542,401	1.2%	545,721	1.1%	3,320	0.6%
3400 Program Expense	3,836,826	8.8%	3,906,179	8.1%	69,353	1.8%
3500 Program Vehicle Expense	368,155	0.8%	331,898	0.7%	(36,257)	-10.9%
3600 Administrative Expense	1,196,481	2.7%	802,199	1.7%	(394,282)	-49.2%
3700 Fair Share	520,139	1.2%	483,871	1.0%	(36,268)	-7.5%
3800 Special Events Expense	107,935	0.2%	125,356	0.3%	17,421	13.9%
3900 Cost of Sales	652	0.0%	54,343	0.1%	53,691	98.8%
4300 Recruitment/Relocation	150,125	0.3%	156,153	0.3%	6,028	3.9%
5000 Fixed Asset Purchases	139,074	0.3%	295,718	0.6%	156,644	53.0%
5300 Bad Debt Reserve	2,711	0.0%	27,852	0.1%	25,141	90.3%
0355 CARES/PDF Allocation	150,000	0.3%	-	0.0%	(150,000)	-100.0%
EXPENSE TOTAL	39,954,025	91.6%	39,743,664	82.8%	(210,361)	-0.5%
OPERATING NET	3,661,975	8.4%	8,274,208	17.2%	(4,612,233)	-55.7%
1900 Gain/Loss on Sales and Invest. Valuation	-	0.0%	(365,439)	-0.8%	365,439	100.0%
1998 Gain/Loss on Sale of Assets	-	0.0%	(129,604)	-0.3%	129,604	100.0%
1999 Investment in Subsidiary	(131,438)	-0.3%	(153,341)	-0.3%	21,903	14.3%
5200 Interest Expense	(76,174)	-0.2%	(79,296)	-0.2%	3,122	3.9%
2890 Depreciation Expense	(1,449,738)	-3.3%	(1,604,830)	-3.3%	155,092	9.7%
0399 Scholarships Awarded	(1,004,507)	-2.3%	(1,101,832)	-2.3%	97,325	8.8%
NET OUTCOME	1,000,118	2.3%	4,839,866	10.1%	(3,839,748)	-79.3%

YMCA of Orange County
2019 Proposed Budget
Operating Net by Branch

BRANCH	2019 BUDGET		2018 PROJECTED		VARIANCE	
	Amount	% REV	Amount	% REV	Amount	% VAR
Fullerton Family YMCA	804,431	29.2%	733,638	28.1%	70,793	9.6%
Santa Ana Family YMCA	143,383	18.1%	167,109	19.7%	(23,726)	-14.2%
Huntington Beach Family YMCA	(156,272)	-10.0%	(269,361)	-16.8%	113,089	42.0%
Yorba Linda/Placentia Family YMCA	84,652	28.4%	72,031	20.3%	12,621	17.5%
Newport Mesa Family YMCA	450,436	16.2%	451,723	18.7%	(1,287)	-0.3%
YCS New Horizons	417,010	35.8%	393,286	34.1%	23,724	6.0%
Laguna Niguel Family YMCA	708,748	24.9%	773,498	26.2%	(64,750)	-8.4%
Mission Viejo Family YMCA	512,853	17.0%	503,481	16.5%	9,372	1.9%
Rancho Mission Viejo YMCA	(2,013)	-2.7%	(2,739)	-16.8%	726	26.5%
Childcare	8,051,707	30.5%	7,368,111	29.8%	683,596	9.3%
Camp E.L.K.	(29,099)	-5.1%	(30,253)	-5.3%	1,154	3.8%
San Gabriel Valley YMCA	19,969	22.2%	6,387	8.2%	13,582	212.7%
YMCA of Riverside County	-	0.0%	(188)	0.0%	188	100.0%
Murrieta Family YMCA	-	0.0%	(362,336)	-52.1%	362,336	100.0%
Pomona Valley YMCA	74,904	16.9%	216,227	36.8%	(141,323)	-65.4%
Maple Hill Family YMCA	(48,322)	-16.2%	(71,796)	-30.8%	23,474	32.7%
Corporate Initiatives	(181,328)	-184.6%	8,001	7.4%	(189,329)	-2366.3%
Association Office	(7,109,662)	-2338.1%	(3,197,160)	-70.2%	(3,912,502)	-122.4%
Board Fundraising	70,288	56.2%	1,514,549	104.6%	(1,444,261)	-95.4%
CARES/PDF Funding To Be Awarded	(150,000)	-0.3%	-	0.0%	(150,000)	-100.0%
OPERATING NET	3,661,685	8.4%	8,274,208	17.2%	(4,612,523)	-55.7%
Scholarships Awarded	(1,004,507)	-2.3%	(1,101,832)	-2.3%	97,325	8.8%
Interest Expense	(76,174)	-0.2%	(79,296)	-0.2%	3,122	3.9%
Investment Income/(Loss)	-	0.0%	(365,439)	-0.8%	365,439	100.0%
Gain/(Loss) Sale of Assets	-	0.0%	(129,604)	-0.3%	129,604	100.0%
Depreciation Expense	(1,449,738)	-3.3%	(1,604,830)	-3.3%	155,092	9.7%
Gain/(Loss) In Subsidiary	(131,148)	-0.3%	(153,341)	-0.3%	22,193	14.5%
Net Outcome	1,000,118	2.3%	4,839,866	10.1%	(3,839,748)	-79.3%

2019 Capital Expenditures Request

	Requester	PCS Code	Branch	Asset Description	Asset New/Replace	Cost (incl tax, freight, installation)	Placed in service	Useful Life	Status	Comment
1	Dolores Daly	20017 Tipper, LLC	Assoc. Offices	ADA Upgrades	Replace	\$ 100,000	1/1/2019	10	Denied	
2	Dolores Daly	20017 Tipper, LLC	Assoc. Offices	Bathroom Renovations	Replace	\$ 75,000	4/1/2019	10	Denied	
3	Dolores Daly	20017 Tipper, LLC	Assoc. Offices	Ceiling Tile Replacement Upstairs Main Work Area	Replace	\$ 35,000	4/1/2019	10	Approved	
4	K.Trump	80922 Property Management	Assoc. Offices	Replace Mini Bus with Utility Truck	Replace	\$ 35,000	2/1/2019	3	Approved	
5	F. Ferra	40121 Benson - SA - CC	Childcare	AC	Replace	\$ 10,000	6/1/2019	10	Approved	
6	F. Ferra	40121 Benson - SA - CC	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
7	F. Ferra	40123 Loma Visa - SA - CC	Childcare	Ramp	Replace	\$ 12,000	7/1/2019	10	Approved	
8	Tricia Quinn	40131 Eader	Childcare	Floors	Replace	\$ 23,000	7/1/2019	5	Approved	CC Project Site
9	Tricia Quinn	40132 Hawes	Childcare	Floors	Replace	\$ 11,500	7/1/2019	5	Approved	CC Project Site
10	Tricia Quinn	40134 Moffett	Childcare	Floors	Replace	\$ 35,000	7/1/2019	5	Approved	CC Project Site
11	Tricia Quinn	40209 Oak Grove	Childcare	Floors	Replace	\$ 23,000	7/1/2019	5	Approved	CC Project Site
12	Tricia Quinn	40222 Bathgate	Childcare	Floors	Replace	\$ 11,500	7/1/2019	5	Approved	CC Project Site
13	Tricia Quinn	40224 Castille	Childcare	Floors	Replace	\$ 11,500	7/1/2019	5	Approved	CC Project Site
14	Tricia Quinn	40242 Concordia	Childcare	Floors	Replace	\$ 11,500	7/1/2019	5	Approved	CC Project Site
15	F. Ferra	40132 Hawes	Childcare	Ramp	Replace	\$ 12,000	7/1/2019	10	Approved	
16	F. Ferra	40134 Moffett	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
17	F. Ferra	40153 Mariners	Childcare	AC	Replace	\$ 10,000	5/1/2019	10	Approved	
18	K. Martin	40201 Bergeson	Childcare	AC	Replace	\$ 10,000	6/1/2019	10	Approved	
19	K. Martin	40208 Moulton	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
20	Tricia Quinn	40203 Don Juan Avila	Childcare	Floors	Replace	\$ 11,500	7/1/2019	5	Approved	
21	K. Martin	40209 Oak Grove	Childcare	AC	Replace	\$ 10,000	3/1/2019	10	Approved	
22	K. Martin	40209 Oak Grove	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
23	Hope Manuel	40222 Bathgate	Childcare	AC	Replace	\$ 10,000	6/1/2019	10	Approved	
24	Hope Manuel	40226 Philip Reilly	Childcare	AC	Replace	\$ 10,000	8/1/2019	10	Approved	
25	K. Martin	40240 Ambuehl	Childcare	AC	Replace	\$ 10,000	6/1/2019	10	Approved	
26	K. Martin	40243 Del Obispo	Childcare	AC	Replace	\$ 10,000	3/1/2019	10	Approved	
27	K. Martin	40245 Lobo	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
28	E.Trice	40260 YMCA Early Learning Center SC	Childcare	Window Coverings	New	\$ 7,000	2/1/2019	10	Approved	
29	E.Trice	40260 YMCA Early Learning Center SC	Childcare	HVAC	Replace	\$ 10,000	5/1/2019	10	Approved	
30	C. McKenna	80500 Admin - Facility	Fullerton	Two AC Units	Replace	\$ 23,000	1/1/2019	10	Approved	
31	C. McKenna	80500 Admin - Facility	Fullerton	Gym ceiling /sound system	Replace	\$ 15,000	1/1/2019	5	Approved	
32	C. McKenna	80500 Admin - Facility	Fullerton	Functional Fitness	Replace	\$ 8,000	1/1/2019	5	Approved	
33	K. Trump	80500 Admin - Facility	Huntington Beach	Old Kid Zone-New floor; remove desk	Replace	\$ 35,000	1/1/2019	5	Approved	
34	Jen Todd	80500 Admin - Facility	Huntington Beach	Leg Press	Replace	\$ 6,000	1/1/2019	5	Approved	
35	Jennifer Heinen	80500 Admin - Facility	Laguna Niguel	Gymnasium Doors	Replace	\$ 10,000	1/1/2019	5	Approved	
36	Jennifer Heinen	80500 Admin - Facility	Laguna Niguel	Lobby Furniture	Replace	\$ 5,000	6/1/2019	3	Approved	
37	K.Trump	80500 Admin - Facility	Maple Hill	Pool Equipment	Replace	\$ 35,000	4/1/2019	10	Denied	Keep lease until assess site
38	K.Trump	80500 Admin - Facility	Maple Hill	HVAC	Replace	\$ 30,000	5/1/2019	10	Denied	Hold off, will budget \$8k repairs
39	K.Trump	80500 Admin - Facility	Maple Hill	Room Renovations	Replace	\$ 75,000	5/1/2019	20	Denied	Hold until assess site
40	Jennifer Heinen	80500 Admin - Facility	Mission Viejo	Cycle (Leased)	Replace	\$ 45,000	1/1/2019	5	Approved	
41	Jennifer Heinen	80500 Admin - Facility	Mission Viejo	Weight Room Strength	Replace	\$ 25,000	3/1/2019	5	Approved	Medium priority
42	Jennifer Heinen	80500 Admin - Facility	Mission Viejo	Family Restroom	Replace	\$ 15,000	5/1/2019	10	Approved	
43	Jennifer Heinen	80500 Admin - Facility	Mission Viejo	AC Unit	Replace	\$ 10,000	6/1/2019	10	Approved	Carryover, didn't replace 2018
44	K. Trump	80500 Admin - Facility	Newport Mesa	Parking Lot	Replace	\$ 175,000	1/1/2019	10	Approved	
45	K.Trump	80500 Admin - Facility	Newport Mesa	Plumbing	Replace	\$ 10,000	6/1/2019	10	Approved	
46	K.Trump	80500 Admin - Facility	Newport Mesa	Pool Heater	Replace	\$ 15,000	6/1/2019	10	Approved	

2019 Capital Expenditures Request

	Requester	PCS Code	Branch	Asset Description	Asset New/Replace	Cost (incl tax, freight, installation)	Placed in service	Useful Life	Status	Comment
47	K.Trump	80500 Admin - Facility	Newport Mesa	Pool Filter	Replace	\$ 12,000	6/1/2019	10	Approved	
48	P.Trittle	80500 Admin - Facility	Newport Mesa	Bball Court Resurface	Replace	\$ 8,000	8/1/2019	5	Denied	
49	P.Trittle	80500 Admin - Facility	Newport Mesa	Pool Deck/Pump room	Replace	\$ 160,000	10/1/2019	10	Denied	Hold, can go another year
50	P.Trittle	80500 Admin - Facility	Newport Mesa	Pools Plaster	Replace	\$ 120,000	10/1/2019	7	Denied	Hold, can go another year
51	K. Trump	80500 Admin - Facility	Santa Ana	Splash Pool Replacements	Replace	\$ 5,000	3/1/2019	5	Approved	
52	P.Trittle	80500 Admin - Facility	Santa Ana	Pool Heater	Replace	\$ 15,000	5/1/2019	10	Approved	
53	P.Trittle	80500 Admin - Facility	Santa Ana	Pool Pump	Replace	\$ 5,000	6/1/2019	10	Approved	
54	C. McKenna	35106 NH - Weekend	YCS	Bus	New	\$ 80,000	1/1/2019	5	Denied	Sell a van, medium priority

2019 Total Requested \$ 1,506,500

2019 Approved \$ 823,500

2019 Denied \$ 683,000



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Action Item

Approval of
2019 Tipper, LLC Budget

**YMCA OF ORANGE COUNTY
BOARD OF DIRECTORS**

ACTION ITEM

FOR BOARD ACTION ON:

Friday, December 7, 2018

RECOMMENDED BY:

Finance Committee
Juliette Meunier, Treasurer
Joyce Kirchhofer, CFO

RECOMMENDATION:

The Board of Directors approves the Tipper, LLC 2019 budget, which projects a Net Outcome of \$-131,438.

REASON FOR ACTION:

The annual Tipper, LLC budget requires Board approval. Finance Committee has reviewed and approved the 2019 Budget as presented.

FINANCIAL IMPACT AND FUNDING SOURCE:

Projected surplus operating margin.

Tipper, LLC
2019 Proposed Budget
Net Outcome By Major Account Groups

DESCRIPTION	2019 BUDGET		2018 PROJECTED		VARIANCE	
	Amount	% REV	Amount	% REV	Amount	%
1200 Facility Revenue	492,950	100.0%	463,945	100.0%	29,005	6.3%
REVENUE TOTAL	492,950	100.0%	463,945	100.0%	29,005	6.3%
2400 Professional Fees	28,555	5.8%	25,301	5.5%	(3,254)	-12.9%
2500 Supplies	6,600	1.3%	5,992	1.3%	(608)	-10.1%
2600 Telephone	2,940	0.6%	5,354	1.2%	2,414	45.1%
2700 Postage	240	0.0%	90	0.0%	(150)	-166.7%
2800 Occupancy	236,022	47.9%	267,547	57.7%	31,525	11.8%
3000 Public Relations/Promotio	1,750	0.4%	2,001	0.4%	251	12.5%
3600 Administrative Expense	45	0.0%	45	0.0%	-	-100.0%
EXPENSE TOTAL	276,152	56.0%	306,330	66.0%	30,178	9.9%
OPERATING NET	216,798	44.0%	157,615	34.0%	59,183	37.5%
5200 Interest Expense	(124,776)	-25.3%	(123,216)	-26.6%	(1,560)	-1.3%
2890 Depreciation Expense	(222,660)	-45.2%	(205,118)	-44.2%	(17,542)	-8.6%
5600 Income Taxes	(800)	-0.2%	(800)	-0.2%	-	0.0%
NET OUTCOME	(131,438)	-26.7%	(171,519)	-37.0%	40,081	-23.4%



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

YMCA OF ORANGE COUNTY REAL TIME STRATEGIC PLANNING

ONE Y. ONE GOAL. ONE COMMUNITY

OUR MISSION

The YMCA of Orange County puts Christian principles into practice through programs that build healthy spirit, mind, and body for all.

OUR VISION

To improve lives and strengthen character by fostering youth and family development, healthy living and social responsibility driven by passionate staff and volunteers.

OUR CULTURE

The Y Culture statement describes and governs the way in which the YMCA of Orange County expects leadership, the board of directors, employees, volunteers and partners to act.

The Y is committed to excellence. Excellence demands:

HONESTY: Having honest and respectful interactions for the betterment of the organization and the individual regardless of discomfort.

RESPONSIBILITY: Take personal responsibility, own successes and failures equally and hold others to the same.

CARING: Helping other to improve to be their best self.

RESPECT: Understand and honor the position you and others hold and the impact on the organization.

OUR IMPACT STATEMENT

The Y empowers you to live your why. When you live your why, communities transform.

OUR DATA STAKEHOLDER INPUT: KEY THEMES

1. Financial Resources: YMCA of Orange County is a financially strong non-profit; great stewards of resources
 - \$2.6m liquid cash
 - \$11m investments
 - \$27.5m net assets
 - 7.9% avg. revenue growth
 - \$46m annual revenue
 - \$2.1 avg. annual net outcome last 5 years
2. Membership and Program
 - a. 55% of the respondents found out about the Y through word-of-mouth
 - b. The top 3 reasons members chose to join the Y are “best value for the money” , “availability of classes” and “proximity to home or work”
 - c. After joining, members’ favorite aspect has become “availability of exercise classes”, “quality of staff”, “fitness amenities and equipment” followed by “variety of classes” and “proximity to home and work”
 - d. 53% are likely to actively promote the Y with no prompts or guidance and 42% will recommend the Y to others only if asked
3. Child Care: The YMCA currently serves 5,400 kids per day at 75 locations. Throughout the course of a twelve-month period, the YMCA serves over 8,700 unique children. Over the last three years, we have seen an average number of children served increase 7.93%. The YMCA has an average school penetration rate of 10.1%.
 - a. Principals reported:
 - i. 97% of Principals are satisfied with the overall program
 - ii. 97% of Principals believe the Y compliments the academics of the school day
 - b. Parents reported:
 - i. 96% feel their child is safe at the Y
 - ii. 95% of parents would recommend the Y to their family and friends
4. Community Assessment: We determined what data to extract based on the YMCA’s three key areas of focus: youth development, healthy living and social responsibility.
 - a. Orange County:
 - i. Only 50% of children are ready with the skills they need to succeed when they enter kindergarten. communication skills and general knowledge (40% not ready), gross and fine motor skills (35% not ready) and prosocial and helping behavior (31% not ready).
 - ii. Nearly 1 in 5 fifth graders are obese.
 - iii. 65+ residents are the only group projected to grow. The rest are shrinking.
 - b. Riverside County:
 - i. 41.5% of fifth graders are overweight or obese.

- ii. 60% of third grade students are not up to reading standards.
- c. Los Angeles County (East San Gabriel Valley and Pomona Valley)
 - i. Only 15.7% pf SGV children obtain the recommended amount of aerobic and muscle strengthening each week.
 - ii. 35% of SGV adults are overweight.

OUR STRATEGIC ADVANTAGES

Organizational traits using our unique assets and outstanding execution

1. Family orientated programs and services
2. Demand commitment for excellence
 - a. Honest, transparent conversations
 - b. Across the board (organizationally)
 - c. Driving it into the organization
 - d. Staff Empowerment and giving staff purpose
3. Leadership & Talent
 - a. Expertise
 - b. Engaged BOD
4. Financial Strengths
 - a. Nonprofit; contributed support
 - b. Provide financial assistance
5. Brand and legacy/ strong reputation
 - a. Values
 - b. Faith based
 - c. Living & integrating into all we do into the community
 - d. Trust internally and externally
6. Ability to address community issues; flexibility
 - a. Number of members, program participants
 - b. Geographic reach

VALIDATING THE STRATEGIC ADVANTAGES

- What data supports the strategic advantage?
- Is this a "pride" moment?
- Is it based on the outside view (members, community leaders, stakeholders)?
- How does the strategic advantage help produce value?
- Are there other organizations that have the same strategic advantage? If so, whom?

OUR STRATEGY SCREEN

A "filter" that aids in decision-making that challenges the Y's thinking

When an opportunity arises, these are the questions that should be considered when deciding whether to move forward with it. Opportunities include but are not limited to purchasing or selling property, getting into or divesting of a line of business or a fitness facility location, merging with other Y entities, etc.

1. How well does it align with our mission, values; our why; our strategic plan?
 - a. Strong Alignment – continue
 - b. Somewhat aligned – consider
 - c. Not aligned – stop
2. How does it solve a need in the community? Are there other organizations in this space? Would our involvement make an impact in the community?
3. Is the opportunity currently resulting in a positive or negative financial position?
 - a. Net positive – continue
 - b. Net negative – is it serving a community in need? If yes, continue
4. Do we have resources and expertise to support the opportunity (i.e. people, land, buildings, automobiles, etc.)?
 - a. Yes – continue
 - b. No – reconsider
5. How would taking advantage of this opportunity impact our business model? Does the impact make sense for us, given our strategic vision?
6. What are the risks (doing it, not doing it)?
7. Are we able to take advantage of this opportunity and execute with our high standards of Y quality? If not, we should re-consider
8. What is the plan to sustain this additional opportunity in the long term?
9. Will this opportunity be available again?
10. Does it support our long-term goals?
11. What are the intended outcomes?

OUR BIG QUESTIONS

Opportunities and or threats that need to be answered outside the current scope of strategy work

1. How can the Y reduce childhood obesity?
2. How can the Y improve the mental health in our community?
3. How can the Y make childcare more affordable? Accessible?
4. How can the Y best serve our new and existing service areas?
5. How can the Y provide more fitness for 65+age group?
6. How can the Y better prepare kids readiness/early learning?
7. How can the Y make the Y a household (relevant) name?
8. How can the Y leverage partners, collaborators, donors to further our work?
9. How can the Y become the best place to work?

10. How can the Y empower staff/volunteer to drive change?
11. How can the Y ensure members find their own "why"?
12. How can the Y be less dependent on childcare?
13. How can the Y diversify the business model to be more sustainable?
14. How can the Y hire and engage cause-driven volunteers and staff?
15. How can the Y increase membership; member achievement, belonging and relationships?
16. How does the Y develop staff/volunteers to their highest potential?
17. How can the Y be a community influencer?
18. How can we tell our story and build allies, advocates?
19. How can the Y strengthen its philanthropic culture?
20. How can the Y improve policy volunteer oversight and action?

STRATEGIC PRIORITIES:

Community Impact

1. **Youth Obesity:** Develop an organizational strategy and programming to address the epidemic of obesity in school-age youth.

Organizational strategies:

1. Create a community collaborative of organizations and individuals focused on youth obesity within the K-8 population.
2. Enhance existing YMCA programs to help battle youth obesity that address physical inactivity, nutrition and family education.
3. Implement marketing strategies to ensure the Y's voice as a leader on prevention within the communities it serves.
4. Secure financial support of the Y's prevention initiatives.

We will measure our success by:

1. Create community collaborative with 15-20 groups/individuals with a developed chart of work by end of Q3 of 2021.
2. Enhance existing Y programs to address physical inactivity, healthy eating/nutrition and family education at both childcare and branch locations by end of Q4 of 2020.
3. Develop and implement an annual Marketing Plan that includes monthly messaging to communities served beginning in 2019 through 2021.
4. Secure funding for Youth Obesity strategies by end of 2021.

2. **Early Learning Readiness:** Seek, build, and leverage partnerships in our communities that will enhance and grow the Y's early learning readiness programs that will advance the Y's profile as a high-quality provider making an impact on youth, families, and communities

Organizational strategies:

1. Strengthen our position in the early childhood community through existing programs and extended partnerships.
2. Position Early Learning Center as highest quality of early learning and care
3. Increase our number of early learning/preschool programs

We will measure our success by:

1. Secure OCDE full CLASS assessment contract for 2019/20 and 2020/21 contract years
2. Secure OCDE ERS assessment contract for 2019/20 and 2020/21 contract years
3. Add at least one additional county CLASS assessment contract for 2019/20 year
4. Add at least two CLASS or ERS QRIS programs by end of 2020
5. We will measure our success by the star rating (1-5) that ELC earns: Goal of 4 stars by end of 2020 and 5 stars by end of 2021
6. Create a preschool model vetting tool and develop a plan to expand preschools by end of 2019

Organizational Capacity Building

1. **People:** Develop a high-performing workforce of staff and volunteers that will be essential for the Y's growth and success

Organizational strategies:

1. Train and develop our employees which will increase employee morale, enhance efficiency, help in risk management, enhance innovation
2. Engage our employees which will reduce staff turnover, improve productivity and efficiency, retain members/participants at a higher rate, and have employees that are happier, both at work and in their lives.
3. Reinforce Culture with our employees which links company culture with things like employee engagement, happiness, productivity, attrition rate and positive recruitment efforts.
4. Recognize our employees which will let employees know that their work is valued and appreciated, gives employees a sense of ownership and belonging in their place of work, improves morale, enhances loyalty, helps build a supportive work environment and increases employee motivation.
5. Manage performance of our employees by engaging with an employee to review their ongoing workplace performance and development which includes monitoring of goal completion, feedback and discussion, analysing successes, strengths, learnings from mistakes and potential for growth and development.

We will measure our success by:

1. Engagement Survey results increased by 10% sent in January 2019 and again in January 2020.
2. Employee Retention increase 5% from end of year 2018 to end of year 2019.

2. **Membership:** Membership: Support membership growth and enhance member engagement in existing facility branches.
Organizational strategies:

1. Select and implement updated Customer Relationship Management software to support membership sales.
2. Promote the value of membership through existing and new offerings/features
3. Maintain and enhance the Y's three main competitive features: group exercise, kid zone and quality equipment
4. Increase the utilization of DAXKO Engage for engagement and retention.
5. Create an association "Members First" program to enhance our service standards and relationships.

We will measure our success by:

1. Selecting and successfully implementing new CRM system by committee by end of 2020

2. Develop new programming (if necessary) and implement marketing plan internally and externally throughout 2019 and 2020.
3. Create and deliver on branch specific action plan to address all three competitive feature areas. Plan created by end of 2019 and implementation beginning in 2020.
4. Increase the campaigns offered to engage members beginning in 2019 and throughout 2020 and 2021.
5. Development, execution and reinforcement of "Members First" program beginning in 2020 and running throughout 2021

3. Brand and Position: Infuse our Cause in everything we do that creates consistent engagement opportunities for members, volunteers, donors and the communities we serve that emphasizes the Y's Cause and charitable mission.

Organizational strategies:

1. Define what the Y means by community and explain why strengthening our community matters to each of us.
2. Demonstrate the legacy the YMCA has in the community and use it to position ourselves as experts and thought leaders through collaboration, information and cross-promotion.
3. Create our non-profit story, make it relevant and tell it consistently (tell them why the Y matters to them)

We will measure our success by:

1. Increase opportunities to display our expertise in the form of events from 0 to 4 times per year beginning in 2019.
2. Grow brand awareness through third party media coverage from its current saturation by 10% in 2019.

4. Philanthropy: The Y is one of the community's destination of choice for charitable giving.

Organizational strategies:

1. Develop a culture of Philanthropy driven by Volunteers
2. Promote the mission of YMCA through active solicitation of gift giving from volunteers, members and the general public

We will measure our success by:

1. Increase the number of active volunteer campaigners from 200 to 400 by 2021
2. Meet the financial assistance and program subsidy need with donations by 2021
3. Build an active Heritage Club with a minimum of 15 members by 2021

5. Sustainability and Relevance: Secure our long-term sustainability through stewardship and fiscal leadership

Organizational strategies:

1. Grow revenue through expanded programming
2. Increase available resources

We will measure our success by:

1. Achieve average sustainable revenue growth of 4% by 2021.
 - a. Excludes significant non-sustainable items and revenue reductions deliberately done to increase net outcome.
 - i. Exclude Asset Transfers
 - ii. Exclude Significant One Time Donations
 - iii. Exclude Branch/Program Closures
2. Reduce CUSD Childcare Revenue as a % of Association Revenue from 36% to 33% by 2021.
 - a. Excludes significant non-sustainable items and revenue reductions deliberately done to increase net outcome.
3. Average Annual Net Outcome of 2.5% by 2021. Excludes significant non-sustainable items.

Real-Time Strategic Planning Can Result In Changes For The Better In Your Y and Your Community.

By Chi-An Chang

Instead of developing strategic plans based on where a YMCA sees itself in three, five or 10 years, Y-USA wants Ys to do their planning based on where they—the Y in concert with their community—want their community to be in three, five or 10 years. The strategic plan then becomes how the Y can help the community get there. And success is measured by community impact. "Up to this point a Y has been measured on the success of their tactical objective," says Janet Kafkas, Resource Director with Y-USA. "Now, we are saying your success is measured by your ability to achieve the impact you set out to accomplish."

An Impactful
Revolution Is Just
Beginning To Brew At
YMCAs Across
America.

A new strategic planning model will help local Ys do just that. Launched in January, the Real-Time Strategic Planning model is adapted from David La Piana's book *The Nonprofit Strategy Revolution: Real-Time Strategic Planning in a Rapid-Response World*. Like its namesake, the process aims to help Ys use their plan's strategies to respond to opportunities, combat distractions and make appropriate decisions while staying focused on the outcomes of the plan.

"The model is thinking with clarity and acting on that immediately so that it's a continuous planning and responding cycle," says George Babish, Resource Director with YUSA. "In the old methodology there was a greater emphasis on producing the plan itself and implementation was not emphasized equally. In this new process there is greater emphasis on the implementation of the plan, and [on Resource Directors] helping the YMCA to implement the plan."

The Real-Time Strategic Plan also shifts the focus of the strategic plan from internal to external, says Babish. "We start with the desired social and community impact and encourage Ys to have a more strategic view of what their role in the community is."

Know Your YMCA

The Real-Time Strategic Planning process includes four key areas of exploration with questions that a Y's Strategic Planning Committee which may include the Y's board members, association board members, branch chairs and key staff people—must answer:

1. **Big Questions**—unique opportunities or issues the Y and its community are facing: How can we improve the lifestyle health of our community? How can we get more kids to finish high school?
2. **Strategic Advantage**—how the Y is uniquely able to impact the community: Who are we in the eyes of the community? Where are we trusted and for what? How can we build on that trust to serve more/different people or solve X problem?
3. **Strategy Screen**—a list of priorities that the Y uses to filter out nonstrategic activities and to make decisions. A Y may decline an opportunity because it doesn't serve its strategic goal(s) in a meaningful way. Opportunities may be turned down even though they appear easy or attractive: Does this partnership help us move the needle on our plan? How can we measure X better in order to ensure we achieve our goal?
4. **Impact Statement**—the impact that the Y wants to have in its community: How do we make sure all the children in our child care begin school as ready to learn as possible? Resource Directors work with a YMCAs Strategic Planning Committee to develop answers for each of these areas.

IT'S NOT ABOUT
HOW YOU STAND
NEXT TO THE
COMPETITION.

It's about the
thing you are
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ONE ELSE OFFERS.

—JANET KAFKAS, RESOURCE DIRECTOR WITH Y-USA

Here's a rundown of how Resource Directors may help a Y through the new process:

1. The YMCAs Strategic Planning Committee will participate in three to four preparatory meetings to figure out a general direction for its Big Question, Mission Advantage, Strategy Screen and Impact Statement.
2. Based on common strategies identified throughout the above four key areas of exploration, the Y's Strategic Planning Committee will attend a board retreat to further narrow down key strategy areas.
3. After the retreat, the Strategic Planning Committee spends a month deciding on three to five goals and finesses the wording of each goal.
4. The strategic plan is then presented at a board meeting for approval.

Big Questions

In La Piana's book, Big Questions are defined as the opportunity or threat you have to respond to. For Ys, this means questioning the role you want to have within your community based on community needs. For example, do you want to impact the health of a particular segment of the community, provide care for seniors or be involved in job training for youth? "We are not going to be everything to all people, so having some idea of what the Big Questions are will frame our work," Kafkas says.

Ys can benefit from the new planning process because it helps balance a bold vision with the practical needs of their community, which they can and should discover through interviews with community leaders. A Y may want to address X, but find out through community meetings that Z is the greater need. "Similar to brand revitalization, this is about identifying our potential and living up to it, and narrowing the gap between our aspiration and our reality," Kafkas says.

Resource Directors may start with questions such as, where does your community need your organization to head in the near future? Given your strengths as an organization, what local issue can the Y be a part of tackling? Both questions are designed to start a dialogue about where the Y sees itself growing to benefit its community.

Strategic [Mission] Advantage

Once the Y's Strategic Planning Committee figures out a general direction for the Y's role in the community; a Resource Director will encourage them to ask how the Y can uniquely impact the community: unique impact is known as the Y's Mission Advantage.

"It's not about how you stand next to the competition," Kafkas says. "It's about the thing you are uniquely good at delivering to the community the thing that no one else offers." The new planning process encourages the Y's Strategic Planning Committee to focus almost exclusively on data that is relevant to the Y's Mission Advantage in order to limit extraneous information and feedback needed for the planning process.

"In the past we collected stacks of data just because we could," Kafkas says. Now, Resource Directors typically ask Ys to collect four basic data:

- Demographics
- Community health report
- Data relevant to the Y's unique impact on its community (For instance, if the Y's Mission Advantage is related to youth development, then it might collect data on graduation rates or school dropout rates.)
- Interviews with community leaders

"We have been increasingly focused on having [committees] frame categories of questions that they are wrestling with and then collecting data that's relevant to those categories," Kafkas says.

As for the community interviews, they are intended to gauge whether the Y knows itself and is heading in the right direction in terms of its Mission Advantage. These interviews also tend to help build relationships.

"It allows Ys to really connect with [community leaders] and talk about the mission of the Y and how that comes to life in a community," Kafkas says.

Strategy Screen

Another benefit of the Real-Time Planning Process is that it ensures there are ongoing conversations about a Y's strategic direction. Instead of reviewing strategies once every

[COMMUNITY
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—JANET KAFKAS

three to five years, "the focus of the Real-Time Strategic Planning is that you do strategic planning every time you have a unique opportunity or threat facing you," Kafkas says.

Resource Directors help local Ys create a list of criteria, known as a Strategy Screen, to use as a filter for any future decisions. This filter also ensures that all decisions are aligned with the Y's overall plan and Mission Advantage.

"This helps ensure the board's recommended strategies are not scattershot and unrealistic," says Lindiwe Lester, Resource Director with Y-USA.

A list of "Strategy Screens" might be: Any chosen strategy must develop the YMCA as the charity of choice in our community with fundraising opportunities that will help us serve the underserved; any future decisions must align with our goal of improving health outcomes for youth; or any new program must include a family component to enhance the opportunities we offer families to play together at the Y

There are, however, some non-negotiable criteria for the Strategy Screen. Kafkas says Strategy Screens must:

- Support the goal and mission of the organization
- Leverage the Y's Mission Advantage
- Answer the Y's Big Question(s).

The Strategy Screen is not designed to be a rigid checklist. It aims to create a disciplined habit of asking questions, prioritizing the work properly and thinking about consequences. "[The Strategy Screen] is really designed to say, 'we need to consider these types of conversations when you are starting new things,'" Kafkas says.

Impact Statement

Creating an Impact Statement, a summary of the impact the Y aims to have in its community, typically takes place near the end of the planning process. The statement is a short paragraph with a clear message about how the community will be stronger and impacted because of the presence and work of the Y. It gives voice to the Y's vision and serves as a touchstone for the Y as it moves forward with its strategic plan.

"The forming of the Impact Statement requires lots of discussion and distillation of the reality of the organization in terms of the organization's mission, what it does that matters, who it serves, where it serves and through what core programs and services," Lester says.

Resource Directors usually hold brainstorming sessions with the Strategic Planning Committee to fine-tune the wording of the Impact Statement.

"Some of it is pressing back and asking questions such as, 'what do you mean when you say this,' or 'what don't you mean when you say this,'" Kafkas says. "Part of this process is that you don't want to put words down because you think that's what you are supposed to put on paper. You want to actually have them be useable and know what you mean when you say it."

Putting the Plan in Action

Once the Y's Strategic Planning Committee has identified its Big Questions, Strategy Screen, Mission Advantage and Impact Statement, they attend a board retreat to discuss the common strategies throughout the four key areas of exploration. Over the course of the following month, Resource Directors work with the Y's Strategic Planning Committee to identify three to five key strategies. These strategies, along with the Big Questions, Strategy Screen, Mission Advantage and Impact Statement are then all presented for approval at the next board meeting. Since Y-USA just launched the planning process in January, it is too early to say how implementation has changed for Ys. However, many YMCAs say they are already starting to see a difference.

CEO's comments about Real Time Strategic Planning

"The biggest difference now is we are showing our boards, on a regular basis, snapshots of where we are at moving toward our goals. The Real-Time Planning process is a lot more dynamic and changeable. As we have success, we also may slightly change course because opportunities may come up in front of us."

"The process helps his Y organize data regularly. Historically, we updated the board on our strategic plan when we had a board meeting. What this means is that in October we are scrambling to get the data together. With this new model, it is now easy. We have documents that are updated monthly. This allows all our centers to understand what we've accomplished toward our goals."

"It's been a lot of work, but the depth of information that we've gathered—from the community leadership interviews, to the market analysis, every piece of the pre-work that

we had to do all makes sense now. We truly had to understand where we currently are before we could figure out where we want to be or where we want to go."

As Ys are starting to implement their Real-Time Strategic Plans, Kafkas recommends using a key area of exploration at every board meeting. At one meeting, the board could discuss how programs are leveraging the Y's Strategic Advantage. At the next meeting, the board could present how the Y is using its Strategy Screens to evaluate project development.

"Big Question, Strategy Screen, Strategic Advantage and Identity Profile are the four pillars that all decisions need to be examined through," she says. "That's how a really strong plan becomes a day-to-day reality." ■

For more information about strategic planning, please contact

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The Y: We're for youth development, healthy living and social responsibility.