



BOARD OF DIRECTORS – MEETING MINUTES

Details

Date: January 31, 2019 @ 7:30am

Location: YMCA OC – BOD room

Presiding

Rosanna Coveyou, Board Chair

Present: Jeff McBride, Rosanna Coveyou, David Lamb, Michael Hahn, Kate O’Conner, Lisa Alonso, John Rochford, Sean Peasley, Jess Meyers, Mike Proud, Juliette Meunier, Don Saulic, Jay Scott, Sarah Steffen, Christine Salas, Dolores Daly, Crystal Immerman, Anna Romiti, Joyce Kirchhofer

Quorum is present

Call to order @ 7:37am – Rosanna Coveyou, Board Chair

Invocation

– Don Saulic

- A Spirituality of Fundraising book –given to all attendees

Approval of Minutes

– Michael Hahn, Secretary

- December 6, 2018 – Retreat
 - Michael: confirms everyone has had the opportunity to review the minutes & also asked if there was any discussion.
 - ✚ Ask for Motion to approve the minutes as presented
 - ✚ Don Saulic motions to approve
 - ✚ Mike Proud seconds the motion
 - ✚ All present members in favor, zero nays, zero abstentions

Generative Discussion

– Rosanna Coveyou

Rosanna: In spirit of the learnings from our December retreat our BOD meetings will be changing in structure

- The purpose is to engage the full BOD in prioritization discussions
 - Focus on 10,000 foot level
 - Group discussions – BOD breaks out into 3 groups
 - Refer to (attached) – Ten Basic Responsibilities of nonprofit Board
 - Discuss 1-2 priorities to focus on in the next 12 months; and 3-5 years
 - 7:50am, break out for 30 minutes



BOARD OF DIRECTORS – MEETING MINUTES

- Group 1: Lisa Alonso, Katie O'Connor, Michael Hahn, David Lamb
 - Build a Competent BOD (#8, see attached)
 - What we do well:
 - We have good people/BOD members
 - What can we improve on:
 - On-boarding process with our new BOD members
 - Level Set – Existing Board Members
 - Group orientation with our current BOD to ensure we are all on the same page and we all consistently understand our mission and purpose & how we message
 - David: At each BOD meeting reiterate our mission and purpose.
 - Place on screen and/or agenda at each meeting
 - Ensure adequate financial resources
 - What do we do well:
 - Operations – Child Care is the majority of revenue; “keeps doors open”
 - Investment strategy
 - What can we improve on
 - BOD needs to do a better job at fundraising for scholarships/programs
 - BOD needs to be consistent with messaging around fundraising:
 - Why are we fundraising
 - How are those fundraising dollars spent
- Group 2: Mike Proud, Jess Meyers, Sean Peasley, John Rochford
 - Communicate the mission and purpose (#1, see attached)
 - Are we living it?
 - Are we providing enough impact in the community; consistent communication to community?
 - Are we maximizing our resources to meet our mission? Can we do more?
 - Riverside, San Gabriel Valley, OC
 - How do we learn more about need?
 - How do we put our investment assets to our best use?
 - Our Mission is the focal piece.



BOARD OF DIRECTORS – MEETING MINUTES

- Need to understand the community needs and then tie it back to the top 2-3 priorities and be consistent on our messaging
- Group 3: Greg Custer, Juliette Meunier, Don Saulic, Jess Meyers
 - Build a component BOD:
 - Need better BOD processes including at the committee level.
 - How do we interact with one another; not just “reporting out”?
 - Board Development Committee:
 - Serve as the Board Governance Task Force.
 - Task Force to work with Gigi and report back to the full BOD.
 - Fundraising – Adequate resources and fundraising more strategically.
 - Mission and Strategy (#1 & #4, see attached)
 - BOD must be clear regarding our Mission & Strategy
 - Finance Committee proposes hiring a strategist to help with defining our clear mission and strategy:
 - Task Force –(3) BOD members, (3) staff & Strategist
 - To bring “Go/No Go” decisions to the BOD
 - Strategic Planning 101 – what is our strategy and how do we get there?
- BOD’s top 2-3 items of focus (Generative Discussion – Decision)
 - Board decided that the following areas will be the focus for the next 12 months:
 - Determine Mission and Purpose (#1, see attached Ten Basic Responsibilities of Non Profit Boards)
 - It is the board’s responsibility to create and review a statement of mission and purpose that articulate the organization’s goals, means, and primary constituents served.
 - Lisa discussed that we need to be able to tell our story about our mission and purpose in a consistent way as a board
 - [Action Item] It was suggested that we include the mission statement and purpose on the monthly board agenda, so it is front and center
 - Build a Competent Board (#8)
 - All boards have a responsibility to clearly articulate prerequisites for candidates, orient new members and periodically and comprehensively evaluate their own performance.
 - Define what ~~do~~ we mean by competent board?



BOARD OF DIRECTORS – MEETING MINUTES

- John Rochford stated that there are different types of boards, some that are more actively engaged and others that board members there for resume building or other purposes.
- Board members decided on the terms: mission driven, engaged, and competent (clarified our board members are competent, but we must be working toward a competent, high performing board), highly involved.
- Ensuring adequate financial resources (#6)
 - One the of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission.
 - Fundraising this was not decided upon but given the information discussed by each group fundraising was the 3rd consistent focus presented
 - Don discussed that it is part of our duty as a board member to help ensure adequate financial resources through fundraising to support our mission and vision. He referred to the book that he shared with board.

Annual Campaign –David Lamb & Sarah Steffen

- David: Goal is for the BOD to raise \$125K this year
- The BOD did not hit the 2018 goal and fell short of funding annual scholarships
- Let's not lose site of the obligation we have to raise that money to support the budget and scholarships we fund.
 - #1 We need to make personal commitments
 - #2 Start thinking about adding additional funding resources

Consent Calendar

- Recommended by Joyce Kirchhofer, CFO
 - Approval to open new account with Home Street Bank
 - ✚ Rosanna asked for motion to approve the action item as presented
 - ✚ Don Saulic motions to approve
 - ✚ Mike Proud seconds the motion
 - ✚ (11) present members in favor, (1) vote in favor via email by Weikko Wirta
 - ✚ Zero nays
 - ✚ Abstentions – (1) Michael Hahn

Adjourn

8:59am



BOARD OF DIRECTORS – MEETING MINUTES

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 OF DIRECTORS MEETING AGENDA

Details

Date: January 31, 2019 @ 7:30am

Location: YMCA OC – BOD room

Presiding

Rosanna Coveyou, Board Chair

Call to order – Rosanna Coveyou, Board Chair

Invocation – Don Saulic

Approval of Minutes – Michael Hahn, Secretary

- December 6, 2018 - Retreat

Generative Discussion – Rosanna Coveyou

Annual Campaign –David Lamb & Sarah Steffen

Committee Reports

- Finance Committee, Juliette Meunier

Consent Calendar

- Recommended by Joyce Kirchhofer, CFO
 - Approval to open new account with Home Street Bank

Other Business/QA

Adjourn

BOARD OF DIRECTORS GENERATIVE CONVERSATION TOPICS

ALL BOD members please be prepared to discuss

- Ten Responsibilities of a Nonprofit BOD
 - Reflect on your Y Questionnaire.
 - This form was handed out at the December retreat. If you have your copy please bring or complete a new form prior to the BOD meeting.

- What are the 2-3 areas of focus for the next 12 months; next 3-5 years

- Board Advancement Committee (BAC)
 - BAC to support & build momentum in fundraising**see attached
 - See attached Presentation
 - \$300k gap in financial assistance budget and the \$280k subsidy are significant
 - What is our framework for deciding which programs across the Y that we will subsidize?
 - How do we think about or quantify the impact / the return on our investment if it is not a financial return when making tradeoffs in this area?
 - What's the BAC/BOD's role in helping to support those areas we decide to subsidize? How can we sustain this support?

- Finance Committee
 - Financial Strategy – Juliette to provide brief overview**see attached
 - Discussion
 - FC requests Board's approval for management to move forward to develop some alternatives for the Board to consider regarding our long-term financial strategy
 - Engage/hire organization strategist for 2019 – Juliette to provide brief overview**see attached
 - Discussion
 - FC requests the Board's approval for management to research strategy consultants, and to come to the Board with a few alternatives to consider

From: Juliette Meunier <juliette.meunier@ey.com>

Sent: Wednesday, January 16, 2019 4:18 PM

To: Rosanna Coveyou <rcoveyou@gmail.com>; Jeff McBride <jmcbride@ymcaoc.org>

Subject: Board mtg agenda items from Finance Committee

Finance committee – please chime in if you have anything to add or suggest.

1. Financial strategy

- Years ago, we were struggling financially
- Jeff and the leadership worked diligently to turn things around and to get us to this strong financial position
- There wasn't a reason to develop a financial strategy, except to maximize revenue and minimize expenses in order to have some money to be sustainable in the long term
- As we started to get some financial strength, we started to allocate portions of the investments to the community, such as the Program Development Fund is funded with 4% of the investments each year
- Recently, we started working with Greg and the Investment committee, and he started asking questions that were never asked before about the purpose of the investments (because we didn't have investments)
- So, we are starting the process to be more purposeful with the reasons to save (PDF, future investments, future liabilities, etc.), and if or when to stop accumulating funds and make more contributions to the community
- We are lucky now to be in this strong financial position.
- We would welcome any discussion on this topic. Otherwise, we are looking for the Board's approval for the management to move forward to develop some alternatives for the Board to consider regarding our long-term financial strategy

2. Engage/hire an organizational strategist for 2019

- The board retreat allowed us to get a good start on our organizational strategy
- In order to develop a financial strategy, and to make purposeful decisions, we need to finalize a strategy for the organization
- While Gigi is being engaged to help us with board governance, we feel that we are still in need of assistance as it relates to strategy
- While Jeff and the leadership team have a lot of experience with Y's, their primary job is not strategy
- We would propose to consider engaging with a strategist who specializes in strategy for similar types of organizations, so that we can finalize the strategy work that we started a few months ago, which would result in a clear strategic plan for the organization
- We would welcome any discussion on this topic. Otherwise, we would like to ask the board to approve for the management to research strategy consultants, and to come to the Board with a few alternatives to consider.

Thank you!

Best Regards,
Juliette

----- Forwarded message -----

From: **Saulic, Don** <dsaulic@thebahnsengroup.com>

Date: Thu, Jan 17, 2019 at 10:47 AM

To: Rosanna Coveyou <rcoveyou@gmail.com>

Hi Rosanna,

Thanks for letting me know.

Do you think that we should bring up the Board Advancement Committee turn to support and build momentum in Fundraising. Now that the BAC has implemented a process and Professional Advisory Group for charitable planning, we would like to turn to how we can help the fundraising efforts not only with members of the Y, but cultivating a culture of philanthropy with the Board and their Centers of Influence. I Particularly, cultivating a culture of philanthropy. What I would love to do is leverage Board meetings to help build fundraising momentum by having a Y mission-based moment or story – an experience or anecdote from a board or staff member that highlights the core purpose of the organization and reinforces the need for strong fundraising. It'll remind us "Why does this organization exist?" I would also like to give a fundraising report to show its importance. I love the presentation the Sarah put together for the Board. Maybe we can present that. Also maybe we can get generative/creative with the agenda. Meetings can include visioning exercises, motivational videos, or even board members from other organizations who can share stories of fundraising challenges and successes. Ultimately, board members should see fundraising as their duty and privilege. With a culture of philanthropy on the board, the entire organization benefits. I would also like to buy each Board member a short, but powerful book – A Spirituality of Fundraising. It will help to encourage and inspire remind us of what fundraising is all about.

p.s. separate topic, I think the attached presentation was really good on 4 mistakes non-profits make. I would love to work with Jan Moorad on the 4th point. I think it will help the Board understand each other better and help you utilize their gifts. I have talked to Jeff about and I think the timing is perfect.

Best regards,

Don

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THE/BAHNSEN GROUP



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

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- 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.*
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-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

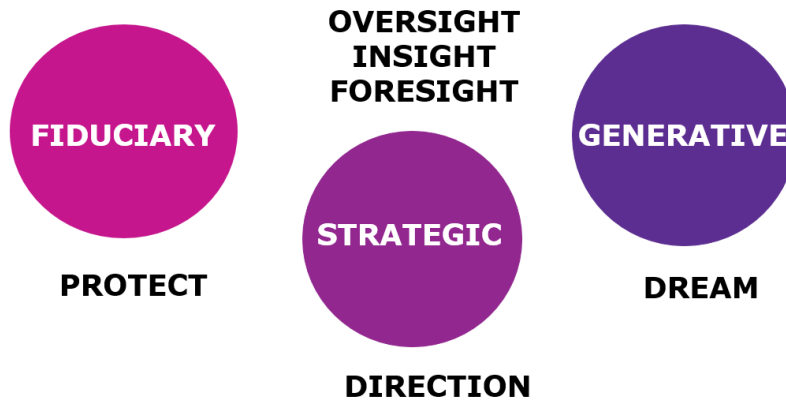
OLD WAY	NEW WAY
CEO defines problems, consults with others (branch board members; staff), assesses options, and proposes solutions. Boards listen, learns, approves and monitors.	Board and CEO discover issues that matter to the community, mutually determine the agenda then frame and solve problems together.
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

Ten Basic Responsibilities of Nonprofit Boards

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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.



REFLECT ON YOUR Y

INSTRUCTIONS: Consider your Y through the lens of the organizational responsibilities for nonprofit boards. Ys. After determining which behaviors your Y does well and which ones your Y may need to enhance, select the 2 most important to your Y to discuss during this activity.

BACK HOME APPLICATIONS: Share this information with board volunteers at your Y by having a discussion at an upcoming meeting.

☐ **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.

☐ **WHAT ARE WE DOING WELL?**

WHERE DO WE HAVE ROOM FOR IMPROVEMENT

☐ **Select, support and evaluate the chief executive**

WHAT ARE WE DOING WELL?

WHERE DO WE HAVE ROOM FOR IMPROVEMENT

☐ **Ensure effective planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals

WHAT ARE WE DOING WELL?

WHERE DO WE HAVE ROOM FOR IMPROVEMENT

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WHAT ARE WE DOING WELL?

WHERE DO WE HAVE ROOM FOR IMPROVEMENT

YMCA of Orange County

Fundraising Update 2019



Fundraised Dollars Support

- Financial Assistance scholarships
- Subsidized community programs(e.g. Villa Plumosa, EAB)
- CARES/PDF programs
- Grant funded programs or initiatives
- Materials/Program supplies
- Program expansion or Capital improvements (periodically)
- Underwriting events

2.32%
of Assoc. revenue is
given away as
scholarships

Fundraising Strategies

- Annual Campaign
- Grants
- Legacy Gifts/Major Gifts
- Sponsorships
- Special Events (e.g. Golf Tournament, Half-Nighter)
- Cause Promotion Campaigns (e.g. Kroger, Macy's)
- CARES/PDF (catalyst for fundraising)
- Year-end Campaigns (#GivingTuesday, etc.)

Annual Campaign

- 21 Sub-Campaigns
- Individual, corporate, foundation, government donors
- 100% of dollars raised support Financial Assistance and Subsidized Programs (Board Campaign also supports CARES/PDF programs)



2019 Association Goal
\$860,500

Grants

- Financial Assistance - \$147,014
- Subsidized Community Programs (e.g. Villa Plumosa) - \$159,100
- Grant Funded Programs (SGV Swim, STEAM) - \$170,423



\$476,537
Secured in 2018

CARES/PDF

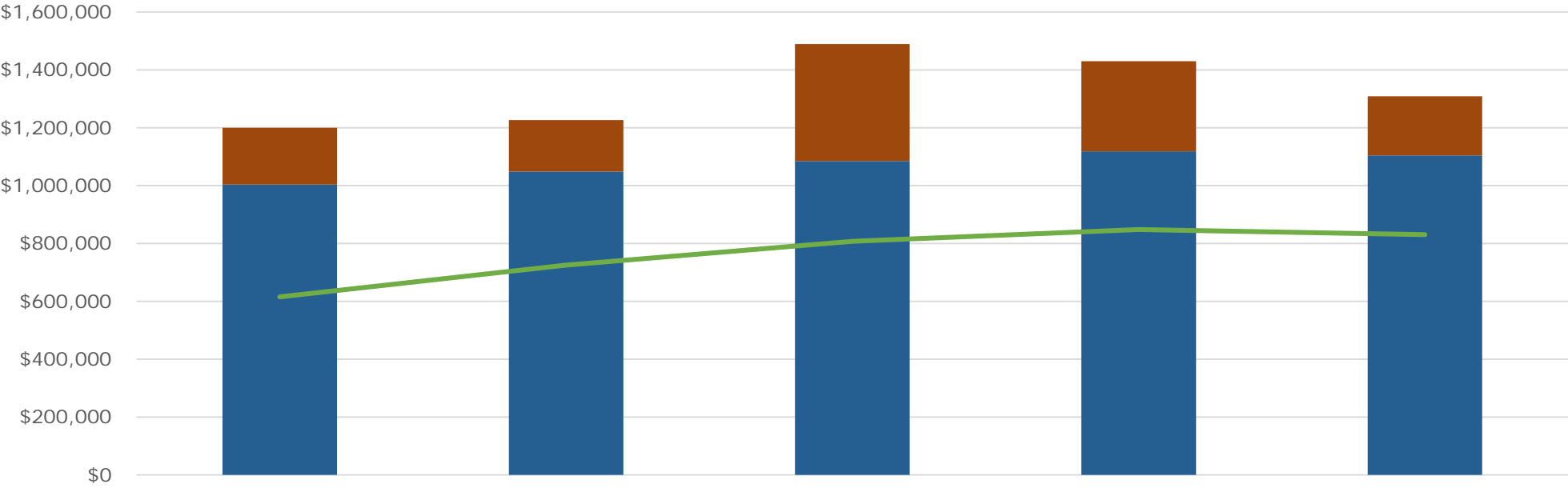
- \$250,000 from interest earned on investments earmarked for this program in 2018
- Used for New Programs or Program Expansion
- Must be self-sustaining within three years
- \$221,355 awarded to 20 programs/initiatives in 2018
 - SOY Winter/Summer Camp and Fitness Program
 - Mission Viejo Safety Around Water Program
 - Newport Mesa/HB CARES Programming
 - Childcare Administration Course
 - Rancho Mission Viejo Startup Fund
 - Esports
 - CLASS Childcare Assessments

Goals & Gaps

Branch/Program	2019 Goal	FA \$ awarded in 2018	Subsidy \$ budgeted for 2019	\$ Allocated to CARES/PDF	\$ Allocated to Grant Programs	Difference
Fullerton/Yorba Linda Placentia	\$207,500	\$172,000	\$75,000	\$0	\$0	(\$39,500)
Newport Mesa/Huntington Beach/Santa Ana	\$157,000	\$214,244	\$15,000	\$0	\$0	(\$72,244)
Laguna Niguel/Beach Cities	\$195,000	\$408,230	\$18,000	\$0	\$0	(\$231,230)
Mission Viejo	\$143,000	\$204,968	\$12,000	\$0	\$0	(\$73,968)
New Horizons	\$28,000	\$31,201	\$0	\$0	\$0	(\$3,201)
Y Inclusion	\$13,000	\$45,006	\$0	\$0	\$0	(\$32,006)
Resident Camp	\$9,000	\$78,629	\$0	\$0	\$0	(\$69,629)
San Gabriel Valley	\$12,000	\$28,345	\$0	\$0	\$0	(\$16,345)
Pomona	\$17,000	\$19,117	\$0	\$0	\$0	(\$2,117)
YOC – Board	\$125,000	\$0	\$0	\$35,000	\$0	\$90,000
YOC - Grants	\$476,537	\$0	\$159,100	\$0	\$170,423	\$147,014
TOTALS	\$1,383,037	\$1,201,740	\$279,000	\$35,000	\$170,423	(\$303,226)

YMCA of Orange County

Campaign Revenue, Program Subsidy & Scholarships Needs - 5 Year Trend



	2014 ACTUALS	2015 ACTUALS	2016 ACTUALS	2017 ACTUALS	2018 PROJECTION
Program Subsidy	\$196,300	\$177,528	\$404,427	\$311,891	\$204,081
Scholarships Awarded	\$1,003,827	\$1,048,724	\$1,084,959	\$1,118,421	\$1,104,445
Campaign Revenue	\$615,669	\$725,617	\$807,459	\$847,844	\$830,813
Year-To-Year % Change		17.9%	11.3%	5.0%	-2.0%

■ Scholarships Awarded
 ■ Program Subsidy
 — Campaign Revenue



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Finance Committee Meeting MINUTES

January 16, 2019

FINANCE COMMITTEE MEETING MINUTES

January 16, 2019 @ 11:30am

YMCA – Tustin Office – Front Conference Room

Present: Joyce Kirchhofer, Minh Hoang, Juliette Meunier, Ryan Fessler, Jeff McBride, Brian Constable, Dolores Daly, Sean Peasley, Alicia, Crystal

Call to order: 11:39am

Joyce: FC meetings are going to change a little going forward.

- More strategic
- Less tactical –although we will not lose sight of these items
- We ask that you review the packet before the meeting so we can focus on questions and not “re-presenting” what is already in your packet.
- FC meetings will have more generative topics/conversation

Juliette: Generative Topics

- Juliette: Had a conversation with Rosanna Coveyou, Board Chair, regarding Financial Strategy and the need to have a clear strategy from the Investment Committee.
- Information for each BOD meeting should be sent to the BOD at least a week prior to the meeting so it can be reviewed and members can come to the meeting prepared with questions for discussion.
 - How to get things on the BOD Agenda
 - Jeff: Email to Rosanna Coveyou, Crystal and Jeff. We will prioritize what gets onto the agenda but the initial responsibility relies on the committee chairs.
- Transform the governance of risk management (see handout provided by Juliette by clicking the link below)
 - https://www.ey.com/us/en/issues/governance-and-reporting/ey-top-priorities-for-us-boards-in-2019?utm_source=sampcl&utm_medium=email&utm_campaign=US_top_priorities_for_us_boards_in_2019

1. Review/Approve, Juliette Meunier

- Minutes – December Finance Committee Meeting
 - Suggestions going forward
 - Brian: Page 9/Financial Highlights – stick to and state facts only no “opinion” statements like “Overall the year ended well”
 - Brian: Answers to the questions in the minutes should be inserted into the minutes prior to the next meeting.
- ✚ Brian Constable motions to approve minutes as presented
- ✚ Sean Peasley seconds the motion
- ✚ All committee members in favor; 0 nays and 0 abstentions

2. 2019 Accomplishments Discussion, Juliette Meunier

- We should decide early each year, what the FC would like to accomplish.
- Would like to get each person’s feedback.
- We discussed four potential objectives/goals for 2019:

-
- Determine Financial Strategy
 - In January board meeting – Juliette will bring up the generative discussion with the board – asking if FC can come back to them with options for financial plan
 - In February FC meeting – Management will come to FC with some ideas (before putting them down on paper) to discuss as possibilities to research; FC will come with thoughts as well
 - In March FC meeting – Management will have a draft of Financial Plan alternative options for us to vet
 - After refining based on FC feedback, go to board with draft of Financial plan alternative options
- Confirm cross committee guidelines are working
- Greater focus on risk management, and confirming appropriate controls/processes are in place
- (Second Half of 2019) – Determine 3 year budget, including allocation of reserves for future expenses/liabilities

3. Intersection Points w/ Compensation Committee, Joyce Kirchhofer

- Juliette: Intermediate Sanctions needs to be defined and C-Suite should be updated.
 - *The following updates were made to the Intersection Guidelines document and were given to Christine Salas for Compensation committee review and approval.*
 - The Compensation Committee must be aware and take into account IRS Intermediate sanctions when determining anything related to compensation. Intermediate sanctions is a term used in regulations enacted by the United States Internal Revenue Service that is applied to non-profit organizations who engage in transactions that inure to the benefit of a disqualified person within the organization.
 - Section 4958 of the Internal Revenue Code imposes an [excise tax](#) on [excess benefit transactions](#) between a [disqualified person](#) and an [applicable tax-exempt organization](#). The disqualified person who benefits from an excess benefit transaction is liable for the excise tax. An [organization manager](#) may also be liable for an excise tax on the excess benefit transaction.
 - A disqualified person is any person who was in a position to exercise substantial influence over the affairs of the applicable tax-exempt organization at any time during the [lookback period](#). It is not necessary that the person actually exercise [substantial influence](#), only that the person be in a position to do so. Family members are also disqualified persons.
 - <https://www.irs.gov/charities-non-profits/charitable-organizations/intermediate-sanctions-compensation>

2. Orange Y Asset Transfer, Joyce Kirchhofer

- Joyce: \$1.25 M will be an asset transfer this month. For now we need to have certain cash/cash equivalents. We are going to stay with the Bank of West with a 1.9% interest rate.
- Programs as of 12/1/2018 is on the YMCA OC books and the money must be used in the Orange Service area.
 - Sean: do we account for that as restricted?
 - Joyce: Yes.

3. December Financials, Alicia Chacon-Bidwell & Joyce Kirchhofer

- YMCA OC & Tipper
 - Suggested Changes going forward
 - Juliette: Last sentence on balance sheet summary talks about “five programs”, change this to “operations transfer”.
 - *This has been updated on the summary*
 - Investment Summary presented quarterly (not monthly)
 - Balance Sheet Summary needs to be shortened
 - Tipper reporting will change to quarterly
 - Ryan: How much did we actually subsidize in December for Y of Orange
 - Joyce: It is not a loss and has no financial impact
 - Juliette: at what point in time will you come back to us with the options for Maple Hill, Huntington Beach?
 - Huntington Beach information will be provided at the February meeting.
 - Juliette: Childcare is behind budget? \$137k explained but \$100k is not?
 - A bullet needs to be added to explain the missing \$\$
 - *This has been updated on the summary*

Meeting adjourned at 1:08pm

Next Regular Meeting: February 20, 2019 @ 11:30am

DECEMBER 2018 FINANCIALS

YMCA of Orange County
Statement of Financial Position-Consolidated
12/31/2018

	<u>12/31/2018</u>	<u>12/31/2017</u>
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$3,188,491	\$2,053,392
Investments	10,483,057	11,838,504
Accounts Receivable - Net Allowance	739,151	738,632
Annual Pledges Receivable - Net Allowance	26,642	25,392
Deposits and Prepaid Rent	37,930	173,666
Prepaid Insurance	9,865	106,150
Other Prepaid Expenses	418,944	289,156
Total Current Assets	14,904,080	15,224,892
<i>Other Assets</i>		
Property, Plant and Equipment, Net	20,812,118	17,686,296
Total Other Assets	20,812,118	17,686,296
Total Assets	\$35,716,198	\$32,911,188
LIABILITIES AND NET ASSETS		
<i>Current Liabilities</i>		
Accounts Payable	\$1,544,519	\$624,753
Liability Under Trust Agmt	5,255	0
Accrued Payroll and Employee Benefits	1,976,068	1,725,220
Program Fees Received In Advance - Other	1,514,284	1,272,028
Total Current Liabilities	5,040,126	3,622,001
<i>Long-term Liabilities</i>		
Self-Insurance Liability and Other Reserves	130,462	410,442
Notes Payable	4,538,703	4,759,121
Total Long-Term Liabilities	4,669,165	5,169,563
Total Liabilities	9,709,291	8,791,564
<i>Net Assets</i>		
Current Operations - YMCA	2,962,246	1,285,381
Current Operations - Tipper, LLC	(169,186)	(1,389)
Current Operations (Restricted,Capital & Endowment)	(905,778)	707,831
Unrestricted/Temporarily/Permanently Restricted	24,119,625	22,127,801
Total Net Assets	26,006,907	24,119,624
Total Liabilities And Net Assets	\$35,716,198	\$32,911,188

YMCA of Orange County
Association Summary by Branch
For the Twelve Months Ending
December 31, 2018

	Year-to-Date				YTD Comparison		
	Actual	Budget	Variance	% Variance	Prior YTD	Curr YTD vs Prior YTD	% Variance
Revenue By Branch							
Fullerton Family	2,467,307	2,528,710	-61,403	-2.4%	2,626,631	-159,324	-6.1%
Santa Ana Family	864,027	707,083	156,944	22.2%	772,899	91,128	11.8%
Orange Family	600	0	600	0.0%	0	600	0.0%
Huntington Beach Family	1,592,679	1,767,294	(174,615)	-9.9%	1,607,452	(14,773)	-0.9%
Yorba Linda/Placentia Family	257,848	281,107	(23,259)	-8.3%	370,868	(113,020)	-30.5%
Newport Mesa Family	2,268,640	2,248,663	19,977	0.9%	2,302,589	(33,949)	-1.5%
YMCA Community Services	1,132,132	1,084,391	47,741	4.4%	1,140,464	(8,332)	-0.7%
Laguna Niguel Family	2,773,885	2,533,883	240,002	9.5%	2,561,677	212,208	8.3%
Mission Viejo Family	2,922,518	2,740,431	182,087	6.6%	3,253,567	(331,049)	-10.2%
Capistrano Beach Family	0	0	0	#DIV/0!	199,642	(199,642)	-100.0%
Rancho Mission Viejo	20,363	0	20,363	#DIV/0!	0	20,363	#DIV/0!
Childcare	24,755,442	24,218,795	536,647	2.2%	23,436,046	1,319,396	5.6%
Camp E.L.K.	552,425	906,361	(353,936)	-39.1%	719,135	(166,710)	-23.2%
San Gabriel Valley	81,844	76,513	5,331	7.0%	105,677	(23,833)	-22.6%
YMCA of Riverside County	0	0	0	#DIV/0!	47,262	(47,262)	-100.0%
Murrieta Family	283,821	951,655	(667,834)	-70.2%	733,344	(449,523)	-61.3%
Pomona Valley	627,443	154,000	473,443	307.4%	312,122	315,321	101.0%
Maple Hill Family	233,858	214,385	19,473	9.1%	106,592	127,266	119.4%
Corporate Initiatives	134,156	109,120	25,036	22.9%	16,266	117,890	724.8%
Association Office	4,892,517	359,506	4,533,011	1260.9%	2,171,506	2,721,011	125.3%
Total Revenue	45,861,505	40,881,897	4,979,608	12.2%	42,483,739	3,377,766	8.0%
Expenses By Branch							
Fullerton Family	2,441,971	2,531,402	89,431	3.5%	2,656,483	214,512	8.1%
Santa Ana Family	1,061,203	984,940	(76,263)	-7.7%	1,012,629	(48,574)	-4.8%
Orange Family	1,260	0	(1,260)	#DIV/0!	0	(1,260)	#DIV/0!
Huntington Beach Family	2,186,902	1,892,080	(294,822)	-15.6%	1,840,246	(346,656)	-18.8%
Yorba Linda/Placentia Family	303,925	288,298	(15,627)	-5.4%	373,037	69,112	18.5%
Newport Mesa Family	2,454,542	2,274,196	(180,346)	-7.9%	2,306,131	(148,411)	-6.4%
YMCA Community Services	882,371	868,604	(13,767)	-1.6%	851,248	(31,123)	-3.7%
Laguna Niguel Family	2,527,818	2,452,982	(74,836)	-3.1%	2,542,584	14,766	0.6%
Mission Viejo Family	3,020,045	2,871,169	(148,876)	-5.2%	3,709,807	689,762	18.6%
Capistrano Beach Family	0	0	0	#DIV/0!	178,623	178,623	100.0%
Rancho Mission Viejo	29,764	0	(29,764)	#DIV/0!	0	(29,764)	#DIV/0!
Childcare	20,317,117	19,543,791	(773,326)	-4.0%	18,959,530	(1,357,587)	-7.2%
Camp E.L.K.	795,630	718,033	(77,597)	-10.8%	748,257	(47,373)	-6.3%
San Gabriel Valley	81,887	84,011	2,124	2.5%	115,970	34,083	29.4%
YMCA of Riverside County	0	3,674	3,674	100.0%	67,712	67,712	100.0%
Murrieta Family	2,234,553	1,358,340	(876,213)	-64.5%	1,519,599	(714,954)	-47.0%
Pomona Valley	512,354	153,176	(359,178)	-234.5%	312,640	(199,714)	-63.9%
Maple Hill Family	377,282	340,859	(36,423)	-10.7%	196,751	(180,531)	-91.8%
Corporate Initiatives	120,511	100,802	(19,709)	-19.6%	108,984	(11,527)	-10.6%
Association Office	3,550,121	3,415,162	(134,959)	-4.0%	3,698,126	148,005	4.0%
Total Expenses	42,899,256	39,881,519	(3,017,737)	-7.6%	41,198,357	(1,700,899)	-4.1%

YMCA of Orange County
Association Summary by Branch
For the Twelve Months Ending
December 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	25,336	(2,692)	28,028	1041.2%	(29,852)	55,188	184.9%
Santa Ana Family	(197,176)	(277,857)	80,681	29.0%	(239,730)	42,554	17.8%
Orange Family	(660)	0	(660)	#DIV/0!	0	(660)	#DIV/0!
Huntington Beach Family	(594,223)	(124,786)	(469,437)	-376.2%	(232,794)	(361,429)	-155.3%
Yorba Linda/Placentia Family	(46,077)	(7,191)	(38,886)	-540.8%	(2,169)	(43,908)	-2024.3%
Newport Mesa Family	(185,902)	(25,533)	(160,369)	-628.1%	(3,542)	(182,360)	-5148.5%
YMCA Community Services	249,761	215,787	33,974	15.7%	289,216	(39,455)	-13.6%
Laguna Niguel Family	246,067	80,901	165,166	204.2%	19,093	226,974	1188.8%
Mission Viejo Family	(97,527)	(130,738)	33,211	25.4%	(456,240)	358,713	78.6%
Capistrano Beach Family	0	0	0	#DIV/0!	21,019	(21,019)	-100.0%
Rancho Mission Viejo	(9,401)	0	(9,401)	#DIV/0!	0	(9,401)	#DIV/0!
Childcare	4,438,325	4,675,004	(236,679)	-5.1%	4,476,516	(38,191)	-0.9%
Camp E.L.K.	(243,205)	188,328	(431,533)	-229.1%	(29,122)	(214,083)	-735.1%
San Gabriel Valley	(43)	(7,498)	7,455	99.4%	(10,293)	10,250	99.6%
YMCA of Riverside County	0	(3,674)	3,674	100.0%	(20,450)	20,450	100.0%
Murrieta Family	(1,950,732)	(406,685)	(1,544,047)	-379.7%	(786,255)	(1,164,477)	-148.1%
Pomona Valley	115,089	824	114,265	13867.1%	(518)	115,607	22318.0%
Maple Hill Family	(143,424)	(126,474)	(16,950)	-13.4%	(90,159)	(53,265)	-59.1%
Corporate Initiatives	13,645	8,318	5,327	64.0%	(92,718)	106,363	114.7%
Association Office	1,342,396	(3,055,656)	4,398,052	143.9%	(1,526,620)	2,869,016	187.9%
Total Net Outcome	2,962,249	1,000,378	1,961,871	196.1%	1,285,382	1,676,867	130.5%

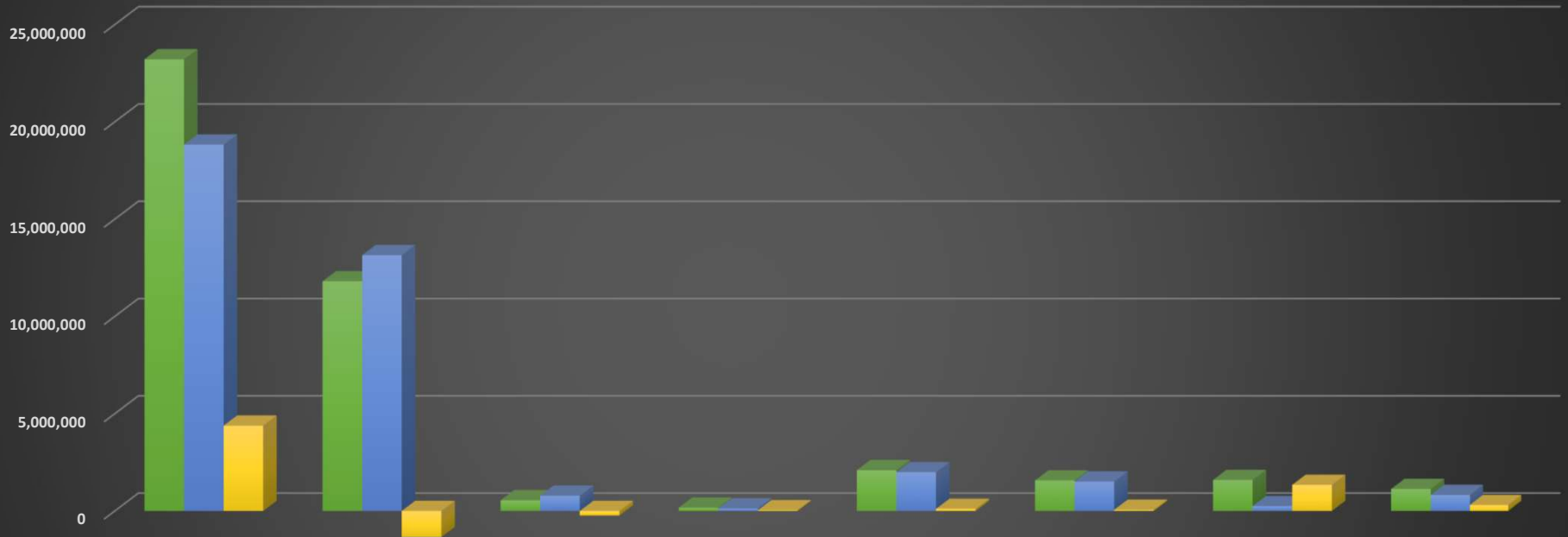
Note: Investment activity is not budgeted but is in the actual numbers above in the Association Office Revenue & Net Outcome rows.

	Current YTD	Prior YTD
Investment Valuation - Gain /	(696,434)	1,133,710
Short Term Gain (Loss)	(41,531)	12,683
Long Term Gain (Loss)	25,167	81,250
Total	(712,798)	1,227,644

YMCA of Orange County
Investment Activity
For the Twelve Months Ending
December 31, 2018

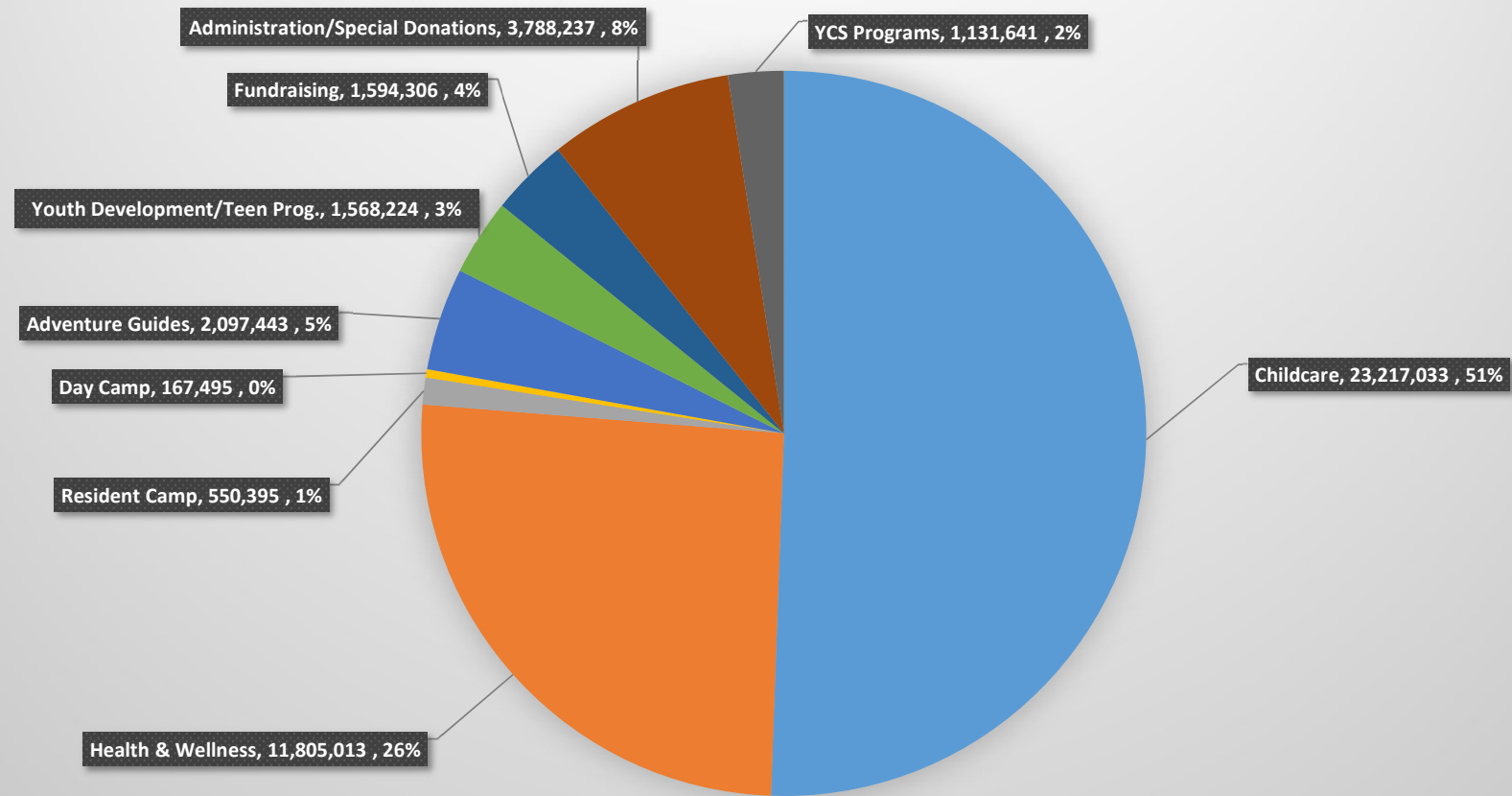
	<u>YTD Actual</u>
Beginning Balance	\$ 11,838,504
Transfers In / (Out)	(919,350)
Payments To Beneficiary	(746)
Interest	61,197
Dividends	265,442
Investment Valuation Change	(696,434)
Short Term Gain (Loss)	(41,531)
Long Term Gain (Loss)	25,167
Less: Investment Fees	<u>(49,192)</u>
Net Investment Income/(Loss)	(435,351)
 Ending Balance	 <u><u>\$ 10,483,057</u></u>
 YTD Growth/(Decline) %	 -3.68%

YMCA OC Program Summary for the Twelve Months Ending December 31, 2018



	Childcare	Health & Wellness	Resident Camp	Day Camp	Adventure Guides	Youth Development/ Teen Prog.	Fund Raising	YCS Programs
Revenue By Program	23,217,033	11,805,013	550,395	167,495	2,097,443	1,568,224	1,594,306	1,131,641
Expenses By Program	18,831,583	13,150,260	785,947	128,902	1,990,205	1,510,104	252,183	824,900
Net Outcome by Program	4,385,450	(1,345,247)	(235,552)	38,593	107,238	58,120	1,342,123	306,741

**Revenue By Program
for the Twelve Months Ending
December 31, 2018**



Childcare
Day Camp
Fundraising

Health & Wellness
Adventure Guides
Administration

Resident Camp
Youth Development/Teen Prog.
YCS Programs

Tipper, LLC
Profit & Loss Statement
For the Twelve Months Ending
December 31, 2018

	YTD		
	Actual	Budget	Act vs Bud Variance
Revenue			
1210 Facility Rental	\$429,208.25	\$413,337.00	\$15,871.25
Net Revenue Totals	429,208.25	413,337.00	15,871.25
Expense			
2520 Maintenance/Janitorial Supl	4,986.57	3,079.00	(1,907.57)
2610 Telephone-Regular Service	4,180.78	4,320.00	139.22
2710 Postage	63.00	107.00	44.00
2845 Facility Maintenance	107,909.49	65,681.00	(42,228.49)
3012 Promo & Advertising	1,581.09	2,000.00	418.91
Program Services Sub-Total	118,720.93	75,187.00	(43,533.93)
2410 Legal Fees	16,028.00	2,717.00	(13,311.00)
2415 Audit Fees	9,600.00	0.00	(9,600.00)
2450 Consulting Fees	7,153.22	1,704.00	(5,449.22)
2480 DP Service/Maint Conctrct	722.62	600.00	(122.62)
2820 Bldg Licenses & Permits	79.50	0.00	(79.50)
2831 Electricity	48,052.71	54,448.00	6,395.29
2832 Gas	3,500.49	5,646.00	2,145.51
2833 Water and Sewer	6,248.83	4,243.00	(2,005.83)
2834 Refuse Collection	2,735.07	2,676.00	(59.07)
2843 Landscape Maint	16,793.94	15,823.00	(970.94)
2848 Exterminator Service	570.00	550.00	(20.00)
2850 Real And Personal Taxes	27,849.64	56,750.00	28,900.36
2860 Property Management	13,883.93	14,535.00	651.07
2880 Property/Liability Insurance	6,433.00	6,433.00	0.00
3620 Bank Fees	45.00	45.00	0.00
Supporting Services Sub-Total	159,695.95	166,170.00	6,474.05
Total Operating Expenses	278,416.88	241,357.00	(37,059.88)
EBITDA	\$150,791.37	\$171,980.00	(\$21,188.63)
2890 Depreciation Expense	(205,437.48)	(204,814.00)	(623.48)
5215 Interest Expense-External	(112,939.74)	(123,166.00)	10,226.26
5610 Income Taxes Fed & State	(1,600.00)	(1,600.00)	0.00
4810 Association Services	0.00	(9,600.00)	9,600.00
Total Non-Operating Expenses	(319,977.22)	(339,180.00)	(19,202.78)
Net Income/(Loss)	(\$169,185.85)	(\$167,200.00)	(\$1,985.85)



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Board Advancement Committee Minutes

**December 11, 2018
January 18, 2018**

Board Advancement Committee
Meeting Minutes (taken by Sarah Steffen)
December 11, 2018

Attendance: Jeff McBride, Dolores Daly, David Lamb, Don Saulic, Greg Custer, Sarah Steffen

ACTION ITEMS

- 1. Set next BAC meeting for 3rd week in January to prepare proposal for next board meeting**
- 2. Sara and Dolores to prepare list of current fundraising efforts, programs that they support, and gaps in current programs (where we are at today summary) to be reviewed in January meeting.**

- Jeff Asked: What discussions should be had by this group and who should be driving fundraising for the organization?
 - Dave – volunteers
 - Greg – dependent on the level of gift
 - Don – wants it to be a partnership of staff and board
- Don summarized the need to go through the strategy screen and reiterates that we now have this structure to vet ideas.
- Dolores: Board needs to set a vision for staff and branches to follow but does not need to speak to each individual branch directly.
 - We need a road map of how to get there.
- Dave: Does the BAC need to explain to the board the reasons why we fundraise?
 - Don: We have been reactive up to this point, setting up systems for planned giving. Now we need to be proactive and plan what we are securing gifts from high wealth individuals
 - We need a vision; propose to the board a plan for fundraising vision.
- Dave: Need to present ideas of how to get the process going to the board.
 - Staff can help fill in the story with materials
 - Wake up the passion in the board members
- Don: what if we ran SOY partnership through the strategy screen as an exercise to get the board thinking about funding priorities and the vision and if that partnership is a fit?
- Dave: Create a list of fundraising “buckets” – programs or concepts we can fundraise for
- Dave: BAC and Investment committee need to raise to the board the question of what we want to do.
- Dave: BAC needs to provide a proposed Chart of Work to the board.
 - Chart of Work needs to outline what we want to accomplish
 - Chart of Work needs to be updated annually
- Jeff: We have built the car. Where do you want us to go?
 - Don’t wait for the donor to come to us.
- Sarah: We need a story to follow. Planned giving consultant stated that it is hard to secure major gifts without a clear story, vision and goal.

BOARD ADVANCEMENT COMMITTEE

January 18, 2019

Present: Greg Custer, Jeff McBride, Dolores Daly, David Lamb, Crystal Immerman, Sarah Steffen, Don Saulic (via phone)

Call to order: 12:18pm

Sarah 2019 Fundraising Update

- BOD needs to frame; conversation should be around how we use the fundraising dollars.
- Don – The presentation should be given to the BOD prior to next meeting to create those generative conversations (GC).
 - Promote Philanthropy at the BOD level
 - Don to take the lead on the GC at the BOD meeting around what BAC is thinking/macro conversations.

Dolores:

- Bigger ticket items –
 - What is our overall Financial strategy, what do we want in the reserves, what should we be aiming for?
 - BOD needs to frame this. Then the staff has direction to get there.
 - Youth Obesity is an example. There is a YUSA funder out there but the staff needs to have a very clear strategy and plan in order to get it.
- David: BAC should focus on endowments.
 - Jeff: This has to be the decision of the BOD.
- David: CAPX How do we want to use our resources?
- David: The Association/BOD goal of raising funds needs to be a basic responsibility of the BOD. This needs to be defined at our next BOD meeting.
 - BOD did NOT reach the 2018 Goal

Adjourn: 1:20pm

YMCA of Orange County

Fundraising Update 2019



Fundraised Dollars Support

- Financial Assistance scholarships
- Subsidized community programs (e.g. Villa Plumosa, EAB)
- CARES/PDF programs
- Grant funded programs or initiatives
- Materials/Program supplies
- Program expansion or Capital improvements (periodically)
- Underwriting events

2.32%
of Assoc. revenue is
given away as
scholarships

Fundraising Strategies

- Annual Campaign
- Grants
- Legacy Gifts/Major Gifts
- Sponsorships
- Special Events (e.g. Golf Tournament, Half-Nighter)
- Cause Promotion Campaigns (e.g. Kroger, Macy's)
- CARES/PDF (catalyst for fundraising)
- Year-end Campaigns (#GivingTuesday, etc.)

Annual Campaign

- 21 Sub-Campaigns
- Individual, corporate, foundation, government donors
- 100% of dollars raised support Financial Assistance and Subsidized Programs (Board Campaign also supports CARES/PDF programs)

2019 Association Goal
\$860,500

Grants

- Financial Assistance - \$147,014
- Subsidized Community Programs (e.g. Villa Plumosa) - \$159,100
- Grant Funded Programs (SGV Swim, STEAM) - \$170,423

\$476,537
Secured in 2018

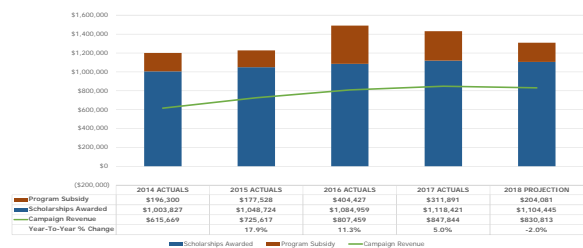
CARES/PDF

- \$250,000 from interest earned on investments earmarked for this program in 2018
- Used for New Programs or Program Expansion
- Must be self-sustaining within three years
- \$221,355 awarded to 20 programs/initiatives in 2018
 - SOY Winter/Summer Camp and Fitness Program
 - Mission Viejo Safety Around Water Program
 - Newport Mesa/HB CARES Programming
 - Childcare Administration Course
 - Rancho Mission Viejo Startup Fund
 - Esports
 - CLASS Childcare Assessments

Goals & Gaps

Branch/Program	2019 Goal	FA \$ awarded in 2018	Subsidy \$ budgeted for 2019	\$ Allocated to CARES/PDF	\$ Allocated to Grant Programs	Difference
Fullerton/Yorba Linda Placentia	\$207,500	\$172,000	\$75,000	\$0	\$0	(\$39,500)
Newport Mesa/Huntington Beach/Santa Ana	\$157,000	\$214,244	\$15,000	\$0	\$0	(\$72,244)
Laguna Niguel/Beach Cities	\$195,000	\$408,230	\$18,000	\$0	\$0	(\$231,230)
Mission Viejo	\$143,000	\$204,968	\$12,000	\$0	\$0	(\$73,968)
New Horizons	\$28,000	\$31,201	\$0	\$0	\$0	(\$3,201)
Y Inclusion	\$13,000	\$45,006	\$0	\$0	\$0	(\$32,006)
Resident Camp	\$9,000	\$78,629	\$0	\$0	\$0	(\$69,629)
San Gabriel Valley	\$12,000	\$28,345	\$0	\$0	\$0	(\$16,345)
Pomona	\$17,000	\$19,117	\$0	\$0	\$0	(\$2,117)
YOC - Board	\$125,000	\$0	\$0	\$35,000	\$0	\$90,000
YOC - Grants	\$476,537	\$0	\$159,100	\$0	\$170,423	\$147,014
TOTALS	\$1,383,037	\$1,201,740	\$279,000	\$35,000	\$170,423	(\$303,226)

YMCA of Orange County
Campaign Revenue, Program Subsidy & Scholarships Needs - 5 Year Trend





FOR YOUTH DEVELOPMENT
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CARES Committee Minutes

December 3, 2018

**CARES Committee
MINUTES
Monday December 3, 2018**

Call to order at 12:13pm

Present: Alicia Chacon-bidwell, Julia Stannard, Sarah Steffen, Mike Proud, Lisa Alonso, Dolores Daly, Matt Svajda, Gin Cho, Crystal Immerman, Jeff McBride, Jay Scott

Devotion, Matt Svajda

Acts 2:42-47

The Believers Form a Community

Minutes, Mike Proud

-August 7th CARES Meeting Minutes Approval

✚ Jeff motions to approve the minutes as presented

✚ Jay seconds the motion

✚ All others in favor; no abstentions, no nays

CARES 2.0, Matt Svajda

- Presentation

- Cares 1.0

- The last year we have had so many things that need to be celebrated.
 - Newport Mesa & Huntington Beach
 - Serve projects
 - Onsite Chaplains
 - Partnering with local churches
 - CARES team being more engaged & serving
 - Tension Points over the last year.
 - Dependence on the champions
 - Champions both expecting
 - Who can serve these roles?
 - CARES champions are concerned that their work for CARES is being done on their own time.
 - This is due to other "job requests" that are on their plate
 - Chaplains feel like they don't "fit"
 - The YMCA members don't really know the depth of CARES
 - There was a sense of disconnect
 - Sustainability
 - Integration – lack of
 - CARES stands out because it's about culture change, service.
 - Ideas – integrate chaplains, address job descriptions,
 - Matt, "what if there was a way that we could have community, spiritual impact but at the same time make business sense?"
 - CARES 2.0 is how to obtain this
 - What would it look like to make an impact for every member that walks through the door?

- A team of missionaries from churches to integrate into the YMCA
 - Recruited, vetted and trained by Fudicia
 - CONNECT: These individuals would invite the new members to connect
 - COMMUNITY: We will invite all new members to a dinner or breakfast; invited to "community" letting them know they matter
 - CARE: Know a need, meet a need. We will continue to invite member to serve with us; Christmas trees, community need, etc.
- Community Redefined
 - There are so many different ways we can approach this. Matt wants to have a strategic way to "love our neighbors".
- Jay asked if the YMCA does any kind of orientation or something like that now?
 - Dolores said it varies by branch
- Julia asked about pushback from the branches
 - Dolores add that if this is truly rolled out as presented there will be no pushback because this will help the branches with their membership numbers.
 - Unfortunately, CARES was not fully accepted by all the branches because there wasn't the "what's in it for me" factor.
- Mike asked what would it look like for those people that are trained being embedded and time spent at our branches.
 - Gin: It has to make sense for churches
 - The approach to the churches is
 - This is a mission opportunity
 - This is a community opportunity
 - Jeff suggest possibly paying the church a stipend to see how it works out.
 - Mike is worried that this will not be picked up as easily as we are anticipating. Mike has been down this road when all the excitement was there but then there was no follow through.
 - Matt believes he has been on similar journeys.
 - Gin states our first questions about the churches.
 - This was the initial conversation we had with the HB chaplain and he was overly excited about it.
 - Julia asked Matt if there will be an official contract
 - Matt said we still need to work out those conversations and details with Dolores.
 - Lisa asked if we are looking at one specific church or a church per branch?

- Matt said yes we definitely want churches to partner.
 - We are thinking 6-10 would be our sweet spot.
 - We are starting in Huntington Beach right now because they are in crisis mode right now with membership.
 - Lisa asked "who" would these people report up to?
 - the branch manager or membership manager would report out to
 - Sarah asked how will they introduce themselves? As member of the YMCA? I'm so and so from this church?
 - Matt believes they would say they are from the CARES team from the YMCA.
 - Is the \$43,500 just for HB?
 - This is basically the foundational amount
 - The \$30,000 stays constant
 - The \$13,500 difference will be for opening at each branch going forward
 -
 - The volunteers will have to be background checked as a level 3 volunteers.
- Discussion
 - Mike dismissed Matt and Gin so the committee could discuss and vote.
 - Are there any additional questions?
 - Julia – how do we monitor their vetting process?
 - The YMCA will conduct all background checks
 - The initial vetting/interviewing process will be done by fiducia.
 - Jay makes a recommendation to present to the finance committee for final approval.
 - Lisa seconds
 - All in favor, no abstentions, no nays
 - Lisa, recommends "Chase the Lion" book
 -
 - Sarah Newport – 5000 j
 - Dolores approved Newport
 - CARES on the FC agenda

Branch Updates

Matt Svajda

Sarah asked about clarification for the Newport Mesa \$5000 budget to continue their projects into next year.

-the amount does not need committee approval. Dolores will approve.

Other Business – N/A

Adjournment 1:45pm



FOR YOUTH DEVELOPMENT
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FOR SOCIAL RESPONSIBILITY

Investment Committee Minutes

December 10, 2018

INVESTMENT COMMITTEE MEETING MINUTES
December 10, 2018

Attendance: Greg Custer, Jeff McBride, Don Saulic, Jess Meyers, Rosanna Coveyou

Absent: David Lamb, Joyce Kirchhofer, Crystal Immerman

TASK LIST
Chart of Work
IPS
Intersection Guidelines w/ Finance Committee

DECISIONS
1. N/A
OTHER
Called to order 11:47am
Jess motioned to approve prior minutes
Dave seconded
Motion passed unanimously
Discussion ensued regarding Commission / Chart of Work. It was left without resolution as some adjustments should be made. I will review these and propose an amendment at our next meeting.
Conversation over the Guidelines on Intersection Points with Investment Committee began as an important point. However, the addition of IPS was added to the conversation. Don Saulic has drafted and proposed a version of the IPS. Speaking from the point of the original IPS, brevity is preferred. Don's IPS was definitely in this direction. I offered to help simplify it further.
While the Intersection with the Finance Committee document is helpful, it was felt that additional information is desired from the Finance Committee and thus the Board. Specifically, is any endowment, clarity on PDF/Cares, capital expenses, operating cash, etc. Further that an annual update of our mandate and request will be valuable. It was also suggested that this committee help our board to "dream" what we would like to be as a Y in the future. Volunteers need to take more of a leadership role in developing a future plan of where we want to be. Greg agreed to connect with Rosanna and Juliette to share our thoughts.
Motion made by Jess to adjourn at 1:07. Second by Dave. Passed unanimously.

Meeting adjourned at 1:07pm

**YMCA OF ORANGE COUNTY
BOARD OF DIRECTORS
ACTION ITEM**

FOR BOARD ACTION ON:

January 31, 2018

RECOMMENDED BY:

Joyce Kirchhofer, CFO
Jeff McBride, President/CEO

RECOMMENDATION:

The Board of Directors approves to open a money market account with HomeStreet Bank.

REASON FOR ACTION:

To earn interest on the partial asset transfer from the YMCA of Orange.

FINANCIAL IMPACT AND FUNDING SOURCE:

Increased interest income from YMCA of Orange initial funds to be transferred of \$1.25M.



FOR YOUTH DEVELOPMENT FOR HEALTH LIVING FOR SOCIAL RESPONSIBILITY