

**YOUTH ON THEIR OWN
BOARD RETREAT
January 24, 2015 @ 8:30am
TEP Building**

BOARD MEMBERS IN ATTENDANCE: Bryan Foulk, Tom Hoyt, Sean Murray, Mary Stewart, David Martin, Kathy Smith, Sandy Wilcox, Kim Marohn, Danni McMahon, Jane Klipp, Mike Hanson, Terry Hlivko, Bob Levine, Jim Bushnell

BOARD MEMBERS ABSENT: Mike DiChristofano, Marian Conrad LaLonde

STAFF MEMBERS IN ATTENDANCE: Teresa Baker, Joyce Rodgers, Dane Binder, Marissa Cassellius

GUESTS: Pat O'Connor

CALL TO ORDER: Bryan called the meeting to order at 9:10 and brief introductions were made.

Introduction of New Members:

As of today, four new members are active and serving a three-year term (David Martin, Sandy Wilcox, Kim Marohn, and Mike Hanson). Bryan Foulk gave a brief overview of different committees (Board Development, Fund Development, and Finance Committee); all board members must be on a committee.

Re-election of Current Members with Expired Terms:

Tom Hoyt motioned to accept four expired board terms to renewal (Bryan Foulk, Mary Stewart, Terry Hlivko, and Sean Murray). Jim Bushnell seconded and motion was approved. Stan Steinman and Mike Arnold have resigned from the board.

Financials (Bob Levine):

We are ahead of budget and had a very successful quarter. \$400,000 is currently in the bank and \$300,000 is estimated to be in bank at the fiscal year end. YOTO has \$817,000 in RBC investments, invested to yield 7% return (YTD yielded 6.1% return from inception to date). Currently, YOTO has about five months of cash reserves (gold standard is 1 year).

800 new donors were established in December. This could be due to the two TV campaigns Teresa ran at end of December related to the Tax Credit campaign.

Finance Committee has discussed changing banks from Wells Fargo to Chase Bank. 65% of our donations are made by credit card. Wells Fargo uses third-party merchant service and Chase does not (all in-house). The savings in merchant service charges alone would be approximately \$7,700 annually. Chase also does not charge stop payment fees (Wells Fargo does). Joyce has verified with Chase that they will cash student checks with no fees for students up to age 24 after presenting their YOTO Student ID, School student ID, or birth certificate. Terry motioned to proceed with Chase Bank and make necessary changes (e.g. keeping some services with Chase and some with Wells Fargo). Danni seconded and motion was approved.

Joyce discussed limitations of QuickBooks and the possible purchase of a more advanced accounting software. Intacct, a cloud-based program, is being researched (\$8,000-\$10,000 start-up cost + annual cost of \$6,500).

Approval of November 20, 2014 Minutes:

Tom Hoyt motioned to approve minutes; seconded by Mike Hanson and approved.

Approval of December 2014 electronic Minutes:

Tom Hoyt motioned to approve minutes; seconded by Mike Hanson and approved.

U of A College of Education Partnership (Dane Binder):

This partnership is important because they have specific set of skills and can help YOTO identify gaps in our services, therefore making YOTO more eligible for federal funding. The partnership is of mutual interest because they can do research on our specific demographic, which is difficult to track.

YOTO also has a current research project with Penn State, which will generate an in-kind donation of \$100-\$150k in addition to invaluable information. This project will help us identify those students most at-risk of dropping out.

ClientTrack (Pat O'Connor):

ClientTrack is currently in implementation stage (testing and deploying). Pat has given demos to Liaisons at three schools and initial responses have been very positive. Pat gave a demonstration of the student application process, Student portal, Liaison portal, and YOTO system.

A discussion ensued regarding ownership rights and what is propriety with ClientTrack. A task force will be created to establish trademark on YOTO's customized ClientTrack, which will be particularly important with future program expansion. Potential members of the task force include: Bob Levine, Bryan Foulk, Marian Conrad LaLonde, Intellectual Property lawyers, etc.

Further discussion: ClientTrack will not stop YOTO from expanding program. A license is required to expand ClientTrack and add to the program. The license was purchased, however it is not YOTO's intellectual property.

Strategic Plan Updates

On target with strategic plans. Teresa noted how the strategic plan is organic. Since we are ahead of the plan, goals will need be re-evaluated and updated for May retreat.

- Program Development (Dane)
 - KIN: All board members are encouraged to attend one shopping spree during 2015-2016 (August or December; dates TBD). More shoppers will be needed this year. Developing the infrastructure of this program is important for funders (e.g. demographics of kids, how KIN program increased students' academic performance, etc.).
 - Career Development Program: Discussion of program history. Mike Hanson is donating ten scholarships to Tucson College of Beauty.
- Fund Development (Teresa)
 - Update Donor Perfect database: Donor email system (Mail Chimp) has increased to over 3,500 email addresses.
 - Events: Only goal not met was Back to School.
 - Collective Board Financial Commitment (\$225k Mortgage): A donor has funded the small conference room (\$35,000 restricted to mortgage); Angel Charity for Children grant submitted early January for remaining mortgage balance (\$127,143 as of April, 2016). Since YOTO is actively working towards eliminating the mortgage, the board should decide their new strategic goal.
 - Church & Business Giving: Many third party fundraisers this year (Tucson Subaru Share the Love, Bags and Bellini's, Sun City Rock and Roll, etc.).
- Finance (Joyce)

- Written Procedures: Have begun with help of new Bookkeeper. Payroll procedures are complete.
- Growth (Teresa)
 - Maricopa County: Chandler is still on the back-burner. They do not know about ClientTrack.
 - Oro Valley/Green Valley: Casa Grande has approached YOTO about program.
- General Infrastructure (Teresa)
 - Staffing: Head hunter is still in progress of finding Director of Development.
 - Volunteer Program: Working on evaluating volunteer program. Creating brochure to market to volunteers. Highest need for volunteers is with event support. Volunteer database is up to date.

Board Support Updates

Talk of the Town documents were distributed; we are in sponsorship campaign mode. Need support from board by way of sponsors, auction items, and program ads. The Fund Development Committee is working on a board related support item. Ticket prices for the event, golf, spa, and Casino Del Sol room rate are all \$99 each. Tillie will be the student speaker for the event.

Board members are reminded to send in volunteer hours, including: hours at meetings; committee work; and anything done outside of committee to support YOTO activity. This is needed monthly.

YOTO's 990s have been uploaded to GuideStar and Charity Navigator.

There will be minimums set for board involvement.

Optimist wants to partner with YOTO for a project, possibly another Eagle Scout project but not sure what.

Home Again

What can we do as an organization to create a revenue stream that we can control, and how can we leverage that stream to support YOTO and Tucson? Teresa presented Home Again, a resale store specializing in retail sales of gently used home goods and accessories with all proceeds benefiting the YOTO program. This store would be a place where donors can donate home goods to YOTO that we can sell. The store will allow us to develop work and training for our students in addition to helping them develop work skills, resume/interviewing skills, and appropriate attire/employment ethic. An internship could be created for senior students with hours tailored around their classes.

Mike Hanson has an empty building at Orange Grove & La Cholla and offered it to YOTO for free. The Crizmac building next to YOTO was on the market a couple years ago then went off the market. Bob Villamana, real estate attorney and Gary Best, did a desktop appraisal of the Crizmac building. Crizmac is valued at around \$80-85/sq. ft. The building currently has two renters, one for \$1150 and one for \$500 per month. Details of Letter of Intent was discussed and the counter Letter of Intent from sellers.

A discussion arose about whether we want to buy a building or use the free space that Mike is offering. Having the building next door allows for the workforce development piece for the students. However, the location at Orange Grove is free and could be used to test and develop the store or use as a drop off location. Another option is to go back to Crizmac and offer a lease w/option to purchase. A question regarding mission drift arose from the Finance Committee. It was discussed that Home Again could encompass the "continued success" component of YOTO's mission.

Types of items to sell was discussed. In addition to volunteers and students, one full-time person on payroll would need to be there. This could begin with a part-time position and maybe even use a

volunteer. There was not enough time to get insurance quotes, however copies of property tax, gas, water, and electric from sellers were received. Costs with utilities would run approx. \$2,500/month with direct expenses, including mortgage. This estimate does not include indirect costs, payroll, etc. There was not enough time to collect all data. The layout of the inside of the Crizmac building was described. There are 25,000 to 30,000 cars that go through the intersection of Pima and Alvernon every day.

The goal of Home Again is to create new revenue sources. It was mentioned that we have maxed our ability in our current fundraising revenue streams. The board should seriously ponder the Home Again concept; more information will come at the next board meeting. Another nonprofit may be interested in buying the building. Teresa will ask Crizmac owners if they would consider a lease option and will also meet with Big Brothers, Big Sisters to inquire about what they make in their store.

Concerns: Will it generate enough to cover the expenses? Would it interfere with our Intellectual Property goals? Is testing better than buying? More information on expenses and sales data from other thrift stores was requested, as well as a business plan.

Next Board Meeting

Will be February 19, 2015 at YOTO instead of the 26th.

Next Board retreat is Saturday, May 16, 2015.

Adjournment: The retreat was adjourned at 2:05.

Transcribed by: Marissa Cassellius and Joyce Rodgers

Submitted by: Mary Stewart, Board Secretary