

Youth On Their Own BOARD MEETING MINUTES

Thursday, May 23, 2024
5:30 PM – 7:00 PM

Board Members in Attendance: Anahi Ortiz, Ragan Edwards, Linda Montes-Cota, Mark, Paola Ponce, Cori Rodriguez, Tony Spear, Sean Murray, Katie Maxwell, Eric Dupree

Board Members Absent: Tom Hoyt, Amanda Kippert, Tasha Gamez, Allen Kinnison, Julie Stevenson

Staff Members in Attendance: Brooke Blizzard, Todd Brown, Elizabeth Slater, Bethany Neumann, Daniela Figueroa, Brittany Smith, Kim Garcia, Rashel Olalde

YAB Members in Attendance: Valeria, Chuck, Kianna, Stef

1. Call to Order

Elaine Babcock

Elaine called the meeting to order at 5:33 pm.

2. Mission Moments

Kim & Valeria

Kim is a staff member at YOTO and a former YOTO youth. She shared the story of her mother passing away from cancer when she was young and her father not being able to care for her. Kim lived with an aunt for a while, but eventually lived on her own. Kim is doing great now and loves supporting current YOTO youth in her Mini Mall position.

Valeria is a first-generation college graduate with a double major in medical science and Spanish interpretation. After moving from Mexico when she was 12, she had a challenging transition leaving behind her home and parents. She lived with her grandparents who didn't have the means to provide for her basic needs. Valeria enrolled in YOTO and graduated from Sunnyside High School in 2020. After high school, Valeria attended the University of Arizona with a full academic scholarship. Additionally, she was a recipient of the YOTO scholarship which she used for her university meal plan. Valeria joined YOTO's Youth Action Board last year. She also serves as a Youth Consultant for PointSource Youth to help prevent youth homelessness.

3. Acknowledgements

Elaine & Katie

With 14 years of YOTO board service, this was Sean Murray's last meeting. The board thanks Sean for his dedication to YOTO!

This was Elaine's last meeting as Board President. Katie expressed her appreciation for Elaine's excellent ability to listen, her engagement with the program, and her great facilitation.

4. Review and Approve Minutes for 4/25/2024

Linda Montes-Cota

Motion to approve 4/25/204 Minutes: Katie Maxwell

Second: Tony Spear

Discussion: None

Vote: Approved unanimously

5. Review and Approval Finance Report for April 2024

Paola Ponce

This was the final meeting of the fiscal year. As discussed in previous meetings, academic stipend expenses are significantly over budget due to excellent student attendance and program engagement. However, fundraising is also ahead of goal. Net income is positive. At the end of April, the line of credit had a balance of \$157,000 with 7.4% interest.

Motion to approve Finance Report for April 2024: Eric Dupree

Second: Mark Papoccia

Discussion: None

Vote: Approved unanimously

6. Investing Endowment Funds

Paola Ponce

The Hamilton trust endowment donation is expected by the end of 2024. The Finance Committee makes the following recommendation for where to invest the funds:

- ~\$350,000 invested at CFSA to bring balance of existing endowment to half a million
- Balance (~\$8M) invested at UBS with YOTO's reserves

Motion to approve the endowment investment recommendation: Katie Maxwell

Second: Ragan Edwards

Discussion: Tony Spear - is an endowment fund a different account with different rules from our other investments with UBS? Paola Ponce - Yes, the accounts are managed separately, but combined balance across accounts brings us over \$10M for a fee break.

Vote: Approved

Sean Murray and Mark Papoccia abstained.

7. Governance Committee Report

Katie Maxwell

Katie shared the following updates:

- Antonio Rubio has resigned from the board. This reduces our number of alumni serving as voting board members to two. Ideally we would like three voting members who are YOTO graduates. This may be a focus of the Governance Committee for new board member recruitment.
- Board members are encouraged to continue watching the board learning videos.
- Board Self-Assessment Survey due June 7. Link will be sent via email and posted to Basecamp.

8. Continuing Board Members

Katie Maxwell

The Governance Committee recommends approving Paola Ponce and Amanda Kippert for a second term beginning July 2024.

Motion: Katie Maxwell

Second: Sean Murray

Discussion: None

Vote: Approved unanimously

9. New Board Members

Katie Maxwell

The Governance Committee recommends approving Monica Kern, Joel Brown, and Justin Frago as new board members beginning July 2024.

Motion: Katie Maxwell

Second: Eric Dupree

Discussion: None

Vote: Approved unanimously

10. Board Officer Preview

Katie Maxwell

The following individuals have expressed a willingness to serve as board officers for FY25:

President: Katie Maxwell

President-Elect: Allen Kinnison

Past President: Elaine Babcock

Treasurer: Mark Papoccia

Secretary: Paola Ponce

11. CEO Report

Elizabeth Slater

Elizabeth provided the following updates:

- We received a grant from Halle Foundation to pay off the line of credit. Thanks to Marissa and Elaine for their participation in the interview process.
- Our solar panels are installed and will be connected to power by early June.
- Tony and Katie completed the top volunteer hours for FY24. Thank you!
- Upcoming Busy Bees: Friday 6/7, Thursday 7/11, Saturday 8/10
- Strategic plan update: departments have completed their annual objectives and activities Elizabeth compiling, following up convos, full draft will be posted in Basecamp in early June for the board’s review.
- Continuing to market 1642 N Alvernon with hopes to sell it soon. We had two interested parties which have since pursued other opportunities. In the meantime we are partnering with PACC to host a spay/neuter event at the property in June.

12. FY25 Operating Budget

**Elizabeth Slater
& Todd Brown**

Goals of budgeting process:

- Simplify: Make it easier for youth and liaisons to navigate YOTO’s service delivery
- Concentrate: Continue to sustainably concentrate funding the academic stipend at the highest possible level while divesting in less-effective financial supports for youth
- Anticipate: Plan for managing potential over-enrollment and/or over-participation in stipend
- Diversify: Incorporate annual distributions from YOTO endowment and implement strategic use of other investment income

Activities prior to the board meeting:

- Finance Committee review of budget, recommended to present to board
- Lunch & Learn for board to review details of the budget and ask questions

- Several follow-up conversation with board members concerning plan to reduce stipend amounts for youth in the standard tier

Starting point for board discussion based on questions/feedback received:

- The proposed budget predicts \$42,692 positive net income without non-cash expenses. This is achieved by reducing the academic stipend for youth in the Standard tier from \$100 to \$50 per month. That reduction saves \$85,000. Combined with the \$42,692 in positive net income, the board could approve an allocation of \$37,308 from YOTO's reserves to maintain the standard tier stipend at current level.

Motion to approve the budget as presented with the change of allocating up to \$40,000 in released income from invested reserves to maintain the \$100 stipend for standard tier: Katie Maxwell

Second: Tony Spear

Discussion:

Sean - Expenses need to grow in line with our fundraising. This year, with higher than expected stipend payments, we are way over budget. What is our strategy to address this in FY25, and have we considered capping enrollment?

Elizabeth - The budget for FY25 accounts for 10% enrollment growth so we hope we won't have to encounter this. We don't want to turn youth away, so we are not considering a hard cap on enrollment. However, to ensure we stay within budget for FY15, we are developing a "holding pattern" strategy to enroll youth in basic needs and guidance services but not the academic stipend if we are already at budgeted expenses in the stipend line. Details will be shared with the Finance Committee at the June meeting.

Mark - Have we considered reducing stipend amount for Max and Plus tiers?

Elizabeth - These are the youth who need us the most and this intervention is effective. Adjusting down will only negatively impact our service and outcomes. We can afford to maintain services at the current level for youth in Max and Plus tiers so management does not recommend any changes.

Tony - We don't know the unintended consequences. If we reduce the stipend for Standard tier, it could cause youth to become more unstable, potentially pushing them to Max and Plus tiers. There has been discussion about why we have cash reserves and the purpose of those funds. Doesn't it make sense to draw from our reserves to fund this?

Elizabeth - We are within our policy guidelines for financial reserves, but yes, those funds were donated to YOTO to support our youth so we can allocate reserves for this. However, this can't be our regular approach to budgeting or we'll deplete our reserves.

Ragan - Clarifies whether the budgeted presented is a balanced budget.

Todd - The budget as presented (without any changes) is positive net income if you don't consider non-cash expenses of depreciation and amortization. If we want to increase expenses to maintain the standard stipend, we would need to increase income to keep the budget balanced. That is the \$40,000 Katie is recommending we allocate from YOTO's reserves.

Ragan - We budgeted conservatively for a distribution of 4% from the ~\$8M Hamilton Trust donation because the amount we receive could be higher than \$8M. If we end up receiving more than \$8M and we still take a 4% distribution in FY25, isn't this issue moot? We may be able to take an additional \$40,000 in the distribution to cover these stipend costs.

Todd - Correct.

Mark - Affirms that the board has a duty to budget responsibly and needs to be strategic in continuing to dip into reserves. We could be setting precedents this year, what would stop us from continuing to do this every year?

Sean - We have a Financial Reserve Policy that will prevent too much dipping into reserves. We must maintain required minimums.

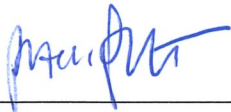
Vote: Approved unanimously

13. Meeting closed at 7:01 pm.

Elaine Babcock

Submitted by Brooke Blizzard on behalf of Linda Montes-Cota, Secretary.

I certify these minutes were approved by the Board of Directors at the July 20, 2024 board meeting.



Paola Ponce, Secretary



Date