

Board Meeting Minutes

September 15, 2016

Room B – Ottawa Office

Present: Joan Boldan (phone), Matt Shinnick, Jim Brusatte, John Armstrong (phone), Doug Patterson, Jim Bagley, Marty Ricconi, Steve Bouslog (phone), Kathleen DiLuciano

Present (Staff): Frank Vonch, Dave Conrad

Absent: Peter Corgiat, Rev. Rickey Bates,

Jim Brusatte called the meeting to order at 5 p.m.

Adopt the Agenda - Motioned by Doug Patterson, 2nd Steve Bouslog, All Passed.

Adopt the minutes from last meeting - Motioned by Marty Ricconi, 2nd Matt Shinnick, All Passed.

Treasurers Report – Doug Patterson

The treasurer's committee met beforehand and there are a few things they would like to provide to the board here. The financials presented for August cover two months of operation in the new fiscal year. The revenue is currently on budget, the expenses are currently better than the budget. The expenses could catch up but for now it is a great start to the year.

Child Development Center – There are downward trends on occupancy and tenants. It has flattened out for now. A couple of new ideas are being looked at to bring attendance back up. We are currently in the process of changing director's. This facility exists for employers, and if it is not there, then alternative ideas will be looked at to see if some of the employers would like to become partners in the day care. It was questioned how much the CDC director makes - \$35K to \$40K. We cannot pay a lot of money as it is not a huge money generator. It was also questioned what the qualifications are for the Director? They do not have to have a Bachelor's degree, but they must have so many hours in early childhood development education – likely the equivalent of an Associate degree, but they must just be the specialized classes. The interviews for this position start on Monday (Sept. 19).

Financials – There is a \$83K surplus YTD which is much more than budgeted – this should balance out over the year. The state has paid us many of the receivables from last year, yet still outstanding to about \$200K. The line of credit is paid off as of the end of August. YSB should not have to use the line of credit as the cash flow has improved. Frank mentioned that we will likely get all of our back pay from the past fiscal year, which is not the case for many other agencies. We are still a part of the lawsuit alongside 90 agencies suing for back pay. It had been thrown out in its first round. We will likely drop out of the lawsuit as we have received most of our payments. The state has also approved the 6 month stop-gap budget.

The finance committee would like to recommend to the full board to give a pay increase of 2% to all Staff and Admin team who are employed as of July 1, 2016 and are actively employed on the date that the increase would be put into effect (approximately October 21, when the paper work is done). Frank added that staff has been extremely patient and understanding in regard to the budget issues. There is currently an expansion of the Intact program in McHenry County (referrals are up), along with increased activity in our specialized program, and the Child Welfare/Foster Care program. The increase for the entire fiscal year will be approximately \$100K (2% is about \$94K). Fiscal doesn't see any problem in covering this on the current path. Frank pointed out that even though we finished FY15 with an \$18K deficit, that is still good considering that we have had many financial issues with the State. We are expecting to bring in more money through FC, Specialized and Intact. Staff will receive a retro-active back pay in a lump sum in October and that will continue on through the year. Dave pointed out that we did not give out a pay increase in the past year, so it has been 18 months (January 1, 2015) since there has been any kind

of increase. It was questioned how insurance is doing? Dave mentioned that it is too early to tell. We will not get numbers until November.

Frank mentioned the new overtime rules which will affect non-profits negatively. This will be looked at more in depth over the next month and there will be more information to share at the next board meeting. These rules will go into effect on December 1. The change is for exempt vs. non-exempt (salaried staff), that if you currently make more than approximately \$455/wk. (\$26K) you can be considered a salaried employee, and it is not necessary to track time. The new rule doubles this amount to \$47K. YSB will be doing time studies to find out what staff (case workers) are doing with their time, and what can be changed to be more efficient. Jim Brusatte questioned if there are people in Congress who are working to exempt non-profits? Frank mentioned that there is supposedly a bill out there to cover this. YSB will look at alternatives to this as well. Part of the agency problem is that we have certain staff on on-call 24/7, etc. How do we classify these hours?

Dave has budgeted a 3% increase for one half of the year. 1 ½% is already built into this budget. Since we are currently ahead on the budget it is felt that it will work itself out. YSB will continue to do evaluations of all staff in December and will decide at that point depending on potential grants, etc. if there will be additional increases in pay.

Adopt the 2% pay increase - Motion made by Doug Patterson, 2nd Steve Bouslog, All passed

One more item under finance, we have a commitment letter from the IFF Group (Illinois Facilities Fund) for a loan as a 2nd mortgage on the improvements to the building next door. YSB already has a first mortgage loan with the IFF. The finance committee has reviewed this loan and it is all fairly standard. The costs will be minimal because we've already got a loan with them. No new appraisal will be required. YSB will get a lump sum from the IFF Group and distribute the funds as needed without having to incur the cost of a title company to do that. The finance committee is recommending that the Board sign the letter and proceed with the \$105K loan. The board has already approved proceeding with pushing for a loan. Interest rate will be 5.375% for the first 5 years. The rate will adjust once every 5 years and the loan has a 15-year payback. Jim Brusatte responded that they had originally thought that we would have to get a lower interest rate, but we would have to take care of titles, closing costs, etc. Doug mentioned that getting a construction loan can be pricey, so his recommendation is to move forward with this loan. There is always the option of combining the two loans into one in the future to get a lower interest rate. There is no payment amount listed, but it would be under \$1,000 per month. Since we will not be paying rent across the street in Ottawa for the Redeploy program anymore, it should almost even itself out.

Adopt to proceed with the IFF Group Loan – Motion made by Jim Bagley, 2nd Matt Shinnick, All passed

Building and Grounds Committee Report – Jim Bagley

There has been a delay in construction as they had hoped to be started by now. It is slated to start any day. There should be no issue with the road construction in front keeping the construction crew from getting their work done. They can enter through the back of the building if necessary.

We had quite a bit of stuff in the other building, which has been used for storage. The Salvation Army has come and taken some of that away. We will also likely still have much floor tile left over after construction is done.

The building for the Intact program in Woodstock is going to be sold next April, so we are going to have to look for a new facility for this program. We have time to work on this. The program has been taking off rather well, so if the rent is a little bit higher, that will be alright.

The façade of the LaSalle office building is torn up and being worked on. We currently have to use the back entrance.

The Streator office – we will be moving into the new space in the beginning of October.

No vote was taken to approve anything in Building and Grounds.

Board Development – Jim Brusatte

Sean Niklas has resigned from the Board. There are a few individuals that are being looked at for Board participation in the future which Jim will discuss more in November.

Jim passed out a list of committee's that each board member is asked to participate in. Please bring to the next meeting and list which choices each Board member would like to be involved with. The Board is short a member on the Personnel Committee. Steve Bouslog will fill in for the next few months as a replacement for Sean.

The Board is always striving for diversity, so if anyone has suggestions for people who could be on the Board, then please let the Board know. All Board members have the option to run for offices (Pres., VP, Sec., Treas.) which will come up again in January.

Matt asked if Jim (or Frank) had contacted Cheryl Reynolds (Marketing for OSF). Frank explained that she has not been contacted yet because there has been much to do with COA reaccreditation. Frank gave the number to Jim Brusatte, as he will call her the next day.

Personnel – Matt Shinnick

Matt spoke with former employee. Nothing further will be pursued.

Executive Director's Report – Frank Vonch

The Executive Director's report had been passed around and read by everyone.

Marketing and Development: The Marketing packet had been passed out to be reviewed. Questions were asked about what happened to the golf outing? Frank explained that it is due to COA being such a massive undertaking, changes happening in Aurora, and a lack of golfer participation and sponsorship. There was a lack of participation from typical sponsors as well. Ron Cibulskis, the chairman of the golf event, had suggested not to go forward with it. Other options will be looked at to pursue another fundraising event for this fiscal year. All the golfers that had signed up have been notified. Kathleen was wondering how the cancellation had been relayed to the general public. It has been stated on the website that it has been cancelled.

It was noted that the Building Trades have rotated their donation from their golf outing to go to Easter Seals, so YSB did not pick up that golf outing this year.

Doug noted that the biggest worry is the lack of income in the Foundation budget because of the lack of a golf outing fundraiser, which is something that could be made up in the Spring.

Kathleen questioned if there should be concern that the people who are organizing these events are not coming through? Frank mentioned that the previous sponsor lists had gone missing, with Tracee Cole IT searching and coming up empty. The person organizing this event is not the same person as last year. Last year the event generated a net of \$15K. It typically generates \$12 to \$15K each year, which goes to the Foundation.

Development and Marketing is currently looking at options for events for the remainder of this fiscal year. Also, the Foundation Board is being analyzed in how it will move forward due to new leadership in

Marketing/Development. We must incorporate new membership into the Foundation Board. There should be a marketing plan by the end of September. It was noted that YSB was the beneficiary of \$1,616.00 from the Crash Our Party event this month. Kathleen questioned how much we are supporting sponsors who are donating to YSB? Also, with the Foundation Board being in limbo, how are we pursuing further fundraising opportunities?

At this point, since she was not on the board agenda, Kathleen introduced who she is, how long she has been involved with YSB, and to what capacity she gives her time to this agency. She explained that watching the Foundation Board dwindle to very little is a major concern that needs to be addressed immediately. There are issues that need to be addressed within this Board of Directors as the finances are tied directly to the agency, and there are legal documents in regards to what the Board should be doing. Also, she is upset that she did not know that the golf outing had been cancelled until she came to this Board meeting. Frank explained that he brought the Children's Challenge Golf outing to this agency in 2011 from elsewhere, that the former development director knew about it but was not involved in the planning of it or in the activities of the actual event, so it has never been a Foundation based fundraiser. Kathleen is questioning lack of communication. Frank explained that Sue is acclimating herself to this position since she is new to it, and in moving forward she will be actively involved in making communication stronger. Frank pointed out that he would like to have more participation from all involved, including the Board. Kathleen asked in going forward, what she can do to be effective as a board member, instead of being told in hindsight that she could've been helpful?

Jim Brusatte suggested directing the Fund Development committee into investigating ways in which the Foundation Board can be made better and stronger for the future; including more people on the board, a liaison between the Foundation Board and the Board of Directors. Kathleen asked if by definition, do we still have a Foundation Board with her being the only active member? While the others have not resigned, it is important to pursue future members. In the past there have been up to 8 members on the Foundation Board. Dave mentioned that 6 would be normal, and Kathleen mentioned in a quorum, there must be a minimum of 4. The reason for a small board is that several members have resigned, and a few had terms which have ended.

Steve Bouslog stated his opinion that the Board of Directors need to focus on replenishing the Foundation Board before they find more people for the Board of Directors. There are legal issues in having a Foundation Board continue their activities, such as document signing, etc. A step in making the Foundation healthier could be in asking former members why they quit to begin with and solving any issue that may come from that information.

Jim Brusatte stated that a better relationship between the two boards would be necessary as well. Steve mentioned that when he was on the Foundation in the past, a liaison would attend the Board meeting and keep healthy communication. Since the Fund Development is basically what the Foundation Board is, couldn't we just toss out the Fund Development Committee and make that the Foundation Board, and are there legal issues in having the same members on both boards? Dave mentioned that the auditor has asked why we lack board crossover, so making turning the Fund Development committee into the Foundation committee could be ideal.

There is a balance in the Foundation of \$166K. The original goal was to keep it at 10% of whatever was net raised to keep a balance built up in the bank account to possibly give back to YSB if needed. If it was not needed, then the bank account could continue to be built up. The current board has been down to three members since the beginning of this fundraising year. It is important that whomever is on the Foundation Board must be active in all fundraising, and that having a liaison at a Board meeting is just as crucial in explaining to potential donors what we do and what is going on with YSB.

The plan in going forward is to 1) review the need for the Foundation Board, along with by-laws, 2) get more members for the Foundation Board, 3) have a liaison between both Boards and 4) creating a clear path of communication.

Frank will inform Sue and set up a meeting to discuss only Foundation Board Development, which will be reported to the Board meeting in November about implementation.

COA Visit – YSB as a whole received very favorable reviews for our operations. A press release was sent out in regards to the COA visit. The review team was extremely thorough in their review. Every standard was passed without any problems so the accreditation process was passed through extremely quickly. Credit goes to staff for such a great success.

Jim Brusatte recommended that the Board commend the staff directly. Jim explained the process of COA to the Board and gave out quotes from the review board such as: “this is one of the best agencies that we’ve reviewed in the last ten years, you are second to none.” “The accountability was impressive.” “The accountability is exceptional.” “You involve all of your staff which is very unusual.” “i’ve never seen anything like staff participation.” “Amazing achievement, outstanding providers.” “You guys live and breathe quality.” In regards to Frank: “we’ve heard nothing but positive things about you.” Jim reiterated how impressive of an accomplishment this is and offered congratulations to every person involved in this agency past and present for being extremely outstanding in their work each and every day. Steve Bouslog seconded that.

Agency Picnic – Is on Friday September 16th. Everyone that can possibly be there is invited to attend. This is one of the three agency-wide events that we hold throughout the year. It is an opportunity for staff to meet and see people from other offices whom they don’t get to see throughout the year. This picnic will involve team-building activities, games, and food.

CQI Quarterly – This was sent out to all Board members. It gives a great view of the agency, the programs, and what is being done with CQI. Part of the COA evaluation spends times on CQI, and it was noted the outstanding job we’ve done to implement staff involvement throughout the agency. Someone will be appointed to oversee the strategic plan of the agency, who will report any progress and information back to the board. Also, the overtime rules will be evaluated to see how they will affect the agency.

Jim Brusatte asked if there were any other items that should be addressed. None.

Executive Session:

Motion made to enter Executive Session at 6:15 p.m. – Jim Bagley, 2nd by Doug Patterson, Approved by all.

Motion made to exit Executive Session at 7:30 p.m.

Next Meeting: Thursday, November 17, 2016 5:00 p.m. Ottawa Office