HOPE 4 Youth Board of Directors Meeting Minutes

Date: August 1, 2022

Time: 5:00 PM – 7:00 PM; Sheriff's Office and Zoom

Board Members Present: Steve Nash, Anna VonRueden, Don Phillips, Steven Spears, JJ Slag, Paul Lenzmeier, Pat Chen, Julie Cole, Linda Barnum, Brad Konik, Sue Woodard

Board Members Absent: None

Staff and Guests Present: LaChelle Williams, Julie Orlando, Tanya Bacigalupo, Kayla Flanagan, Danielle Snider

Minutes:

Call to Order

- The meeting was called to order at 5:04 PM by Steve Nash.

Mission Moment (Anna VonRueden | Kayla Flannagen)

- Kayla was a HOPE Place resident in 2018. She left the program unsuccessfully. She lived in a car for almost 10 months. Kayla has worked hard since her time with us. She has held a job for two years, has stable housing with a friend (whom she met at HOPE Place), and is the newest team member at HOPE 4 Youth.
- Kayla decided to not look at her HOPE Place exit as a failure. Instead, she took advantage of offerings at the Drop-in Center and all the services HOPE 4 Youth offers and got to where she is today. She has a full-time job, plus two part-time jobs. She mentioned Beau (another former HOPE Place resident). He was the speaker at the 2018 gala. In December, they were four years clean from their drug of choice.
- Kayla shared a beautiful tree analogy. There are roots in the ground. Everyone sees trunk (what we're well known for). There are many leaves, some bright and vibrant and some with holes. We don't always see the branches (case management, HOPE Place, volunteers at our location) which made a big difference in who she is today. Kayla is excited to bring the "branches" of our tree to our community.
- LaChelle shared that we created a Peer Specialist role at HOPE Place. This is an individual that can meet our youth at a level that our staff cannot. We are excited to explore how we can support our youth through this new position.

Chairman's Report (Steve Nash)

- Motion made by Anna VonRueden, seconded by JJ Slag, and passed unanimously to approve the agenda and May 23, 2022, minutes.
- Executive Committee Update
  - Linda Barnum has agreed to fill our Secretary position. A motion was made by Don Phillips, seconded by Paul Lenzmeier, and passed unanimously.
  - LaChelle updated the Executive Committee with a roadmap of how to move forward fiscally. How can we go forward to make sure we deliver as much of our resources as we can to our youth? We want to continue to have a collaborative culture. We do this with external organizations, but we also need to have a collaborative process between the board, leadership, and staff.
  - At our last board meeting, we asked for names of people we need to know. We got three names, one of which became a sponsor for the Heartland Golf Tournament. We need to work together as a team to collaborate. Each of us has different things/strengths to contribute. Be mindful of how your strengths lend themselves to HOPE 4 Youth. Steve suggested events as a great option to get involved and he always walks away feeling closer to our mission.

- Our Board Retreat had to be rescheduled. Our building "sprint" would have been decided by the original date. We were included in the bill. We got through the process. We got caught up in the dispute to go into a special session. We didn't know until the end of June that the bill wasn't going to happen. When it fell through, we didn't have enough time to pivot and have the Board retreat through a different lens.
- For our upcoming Board Retreat, we are looking to plan our next three years. It was asked that LaChelle and her staff create a plan for the Board to play off of and ask questions.

Strategic Discussions: Presentations and Feedback

- Mid-year Operational Report: Financial Solvency
  - HOPE Place Payoff
    - We currently owe an estimated $269,000. The agreement with the Heartland Tire Foundation is we would use funds raised at their annual golf event to pay down the HOPE Place mortgage. Since 2018, HOPE 4 Youth has used the funds to pay the monthly payments but has not used the full amount donated to pay down the mortgage. Any funds raised over the roughly $25,000 annual payment were put into operating funds. The intent of the gift is clear in the agreement with the Heartland Tire Foundation - monies raised are to pay down the mortgage. The Finance and Executive Committee agree that we should pay off the full HOPE Place mortgage, as intended.
    - A motion was made by Don Phillips, seconded by Julie Cole, and passed unanimously to pay off the full HOPE Place mortgage.
    - It was asked how we recognize the Mitchells for their amazing gift. Does it take the form of a plaque or celebration or something? It's a big deal. There is the potential for further giving opportunities for brick-and-mortar projects.
    - It was shared that Kayla and Beau were at an event (Chain of Lakes' Stepping Up 4 HOPE Walk) last night (July 31) and their impact was powerful.
  - Banking Partners
    - There is a *Bank Partner Roadway* in today's Board packet. The Finance Committee suggested that we look into a Line of Credit. Tanya researched three partners. The findings were brought to the Finance Committee and 21st Century Bank is the unanimous option. The rate for the Line of Credit will be 3% over the deposit rate. This would be accomplished using HOPE Place as collateral. We would like to move forward with a Line of Credit through 21st Century Bank. We are asking for Board approval to move forward on a Line of Credit as a safeguard.
    - A motion was made by Don Phillips, seconded by Linda Barnum, and passed unanimously to open a Line of Credit through 21st Century Bank
  - Revenue Reforecast
    - As part of our due diligence at mid-year, staff reviewed our revenue generation and expense realities. Please see *Revenue Generation Snapshot* in today's Board packet.
    - We have a few realities we need to overcome and make up ($180k PPP Loan, $213k audit swing, and a $125k Pohlad grant denial). There is $483k we need to manage against.
    - In reviewing January through June actuals and reviewed our forecasted July through December revenue and expenses, we see a gap of an estimated $265k. We are in the process of working with the application process for Employee Retention Credit (ERC) and are very optimistic about funding. We are exploring new opportunities within Private Foundations, Corporate partners, and lapsed friends. We have a heightened focus on partners with a clear relationship management plan.
  - Transfer of Operational Reserves (Exec Committee approved)
    - Don Phillips shared that it is actually more positive than it might seem. It is a cash flow issue, and it gives us an opportunity to make some asks. The way it looks to Don, we may end up booking an excess for 2022. We should still use this opportunity to increase our "points of light" and make contacts. There are a lot more positives to this and we have a very good handle on this. We have a reserve for a purpose. Steve and Don both commended LaChelle and her team for all they have done. Hats off to Anna for a grant recommendation and our team for getting it submitted so quickly.
    - See *Financial Cash and Cash Equivalent Status* in today's Board packet.
    - Our current cash and cash equivalent after paying off HOPE Place is still at 6.6 months of reserves. The Executive Committee authorized the transfer of $200,000 into our general

ledger. In doing so we are still within the three to six months of reserves at five months. LaChelle is confident that we will return to six months in reserves.

- Potential Sale of Administrative Office
  - We have a motivated buyer who is willing to explore purchasing options. They bought the unit right next door. They worked with them saving the seller the commission costs by offering a reduced price point. We have a roughly $145,000 mortgage left. By selling, we can enhance team cohesion and use roughly $2,400 monthly on program expenses. There is also a safety reality at place. Our HOPE Place our Program Manager is alone two to three days a week. If Admin staff office out of HOPE Place, there will be several. Our Drop-In Center currently has two COVID cases. Admin has been stepping in. Offices at the Drop-In Center would be the most accessible and increase team cohesion as well.
  - The reality is that it's very rare that everyone is working from the Admin office that offices out of there since the pandemic. The building isn't getting the same use it did three years ago.
  - Feedback?
    - Pat supported citing the decision as both financial and practical. More people/presence we have at the facilities and the cost savings are both reasons to move forward to sell.
    - Linda supported having the staff be more visible to the youth within the organization.
    - Don noted that reconnecting with the mission is important. This money (from the sale) would be an asset and it needs to be set aside to ensure that there is funding for a down payment/build out/etc. As Treasurer, this decision is supported by him.
    - Steve asked people to think about questions and/or issues for our Board Retreat.
    - Anna asked the staff in the meeting for their opinion on the sale. Julie and Danielle both shared their support of the sale.
  - Don Phillips motioned, Julie Cole seconded, and the motion passed unanimously to give LaChelle the authority to solicit and negotiate an offer passes unanimously.

- Strategic Steering Committee (Paul Lenzmeier | LaChelle)
  - Current Plan and Vision for 2024-2026 Strategic Vision
    - The 2021-2023 Strategic Plan was reviewed. The outcomes are noted in Matrix and housed in Strategic Steering Committee folder. The committee talked about collaboration and strengthening outside relationships related to things that other non-profits are doing well to support our youth. There are different technologies that we can offer to our youth so they can have immediate needs at their fingertips.
    - We are centering ourselves on where HOPE 4 Youth was when they started nine years ago. We started a conversation about who we are today, which will inform us where we're going tomorrow. It was asked if prevention is still a space for HOPE 4 Youth. How much is the government spending regarding youth homelessness? At this point, we are providing immediate needs and tools to allow our youth to launch.

Advancement/Development Committee (Julie Orlando/JJ Slag)

- At the last meeting, LaChelle and Julie laid out the Fundraising Plan for the rest of 2022.
- One of the best things we as Board members can do is invite people to events. We need people that can resource events.
- We did a social media post last Thursday and since then it has been people donating things nonstop. At this point, the post has reached over 15,000 people and has over 750 shares. There was a Fox 9 interview at the Drop-In Center on Friday. When Julie arrived at the Drop-In Center on Friday there was a mountain of packages outside the door that Amazon had delivered overnight. It is amazing and really shows how much the community is invested in our mission.
- Several grassroots things are happening. Companies are doing collections and donation incentives, as well as a local influencer sharing our posting and raising $550.
- The Summer Appeal is hitting over 5,000 mailboxes in about two weeks. This is perfect timing between our social media post going viral this week and the appeal dropping in mid-August. We are hoping to bring in over $20,000 through the Summer Appeal.
- It was asked if we had gone back to Eagle Brook for funding. There have been several conversations with Eagle Brook. They are moving forward by solely supporting faith-based organizations.
- Don was instrumental in getting us connected to the Minnesota Horse and Hunt Club for the Clays 4 Youth event. Thanks Don!

- Please see the list of dates and links below for upcoming events.

Human Resources (LaChelle Williams)

- We engaged in an All Staff Survey in June of 2022. The last survey was conducted in October of 2020.
- The raw data from the survey and the MACC PowerPoint are both in the Executive Director Update section of the Board Portal.
  - LaChelle highlighted three comparisons between the 2022 and 2020 surveys.
    - How likely to recommend H4Y to a friend or colleague?
      - Moved from 40% favorable to 90%
    - Colleagues look forward to going to work?
      - Moved from 2020 at 20% favorable to 100% in 2022
    - Colleagues feel opinions are valued?
      - In 2020 30% agreed. In 2022 90% were favorable
  - Strengths of H4Y are seen today as:
    - Positive Leadership, Community Support, Financial stability, Team meetings
  - Opportunities for improvement
    - Professional development, Workload concerns, Clear expectations, Benefits, Safety, and Inter-level communication
  - We are going to be working with our team and tightening our communications to be more timely and clear. We are going to make sure the team understands the next steps.
  - We are reviewing benefits this fall. There is a proposal coming for a modified handbook. We are revising JDs and how each team member works with toward the mission.
  - Feedback from the Board – "Way to go!" "Good job!"
  - We have made some safety improvements with Paul's help. A safer environment for staff is so important.
  - Pat suggested looking back at 2020 and for those who are there, what worked and what didn't work? Look for wins that we have had these past few years. We heard you and here are the changes we've made since then. Ongoing communication is crucial. Employees can feel like they weren't heard when issues aren't addressed. Professional Development comes up in every company he has been involved with.

Program Committee (Anna VonRueden)

- Drop-in Center visits are the second highest since December 2021. The first half of the year served 249 youth including 105 new intakes. HOPE Place welcomed five new residents in June. The focus on accountability has been difficult for many. Seven HOPE Place youth engaged in 1:1 services provided by Anoka County partnership – Career Force. 20% of the youth we served YTD are parenting youth. Case management is down due to a 50% staff shortage in June. They have finished our Program focused Work Plan. A Youth survey will be initiated in Q3. We have a fully staffed Program Team effective August 1st!
- What do we want to be experts in vs. opportunities to partner? There is a need for Mental Health support. In-house opportunity to provide on-site therapy to our youth coming in.
- They discussed the strengths and challenges of selling the Admin space.
- In August, we're going to track up to two visits per youth per day. It was suggested that we track which services the youth are using each time they come in (CD referrals, MH referrals, clothing closet, food pantry, etc.) It was noted that the number of parenting youth has increased as well.

Finance Committee (Don Phillips | LaChelle/Tanya Bacigalupo)

- Both the Finance and Executive Committee have reviewed this month's financials with no significant concerns other than when we are closing the door with Hope's Closet.
- In June, we had roughly 8.7 months of reserves on hand. Our Income Statement reveals the first visual impact of the Pohlad grant. We are trending behind with Individual Giving and believe this to be directly tied to our current economic environment. We are managing expenses well but have had unplanned facility and audit expenses which have impacted our bottom line. With the cash transfer, we will balance out the negative impact of the $213,000 audit swing and the $125,000 Pohlad denial.
  - Our distribution of funds is trending ahead of 2021. 76.3% YTD up from 72.9% last year directly to programming.
  - There are a lot more positives relative to other funding opportunities. This is a testament to have such clarity in the current economic climate. We're going to end this year strong. The team will balance things out as we plan for and move into next year.
- Shout out to all the committees. Everyone has posted to the Board Portal as requested earlier this year. There are notes and PowerPoints in the Board Portal for each committee.

Open Business (Steve Nash)

- It was asked if there are handouts for youth when we encounter them. It was noted that there are business cards with the Drop-In Center hours and website available.
- It was questioned whether prevention was still our thing or not. LaChelle shared that we are in the school systems, community groups, and doing street outreach.
- Steve shared that if there's only one event that you can make it to, make it the Darkest Night 4K. There is every walk of life there. It is very missional. There may be an upcoming challenge to see which Board Member can build the largest team/group.

Adjourn

- Motion to adjourn was made by Anna VonRueden, seconded by Julie Cole, and approved unanimously.

The meeting ended at 6:49 PM.

Respectfully Submitted,

Danielle Snider, Administrative Coordinator

Action Items:

- Create a plan for the Board to play off of and ask questions for the upcoming Board Retreat
- Plan to attend our Darkest Night 4K on September 30
- Share our upcoming events with your circles

Upcoming Events:

- August 4 – H4Y Night at Running Aces
- August 22 – Heartland Tire Classic (Sold Out!)
- September 23 – Hunt 4 HOPE
- September 30 – The Darkest Night 4K Run/Walk
- October 13 – Clays 4 Youth