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363 S. PARK AVE. SUITE 104, POMONA CA 91766

WWW.JU4Y.ORG | INFO@JU4Y.ORG

JU4Y Executive Board Follow-Up Minutes

February 24, 2022 | Virtual Meeting

Executive Board Present:

Adrian Greer, President
Peter Hidalgo, Vice-President
Dr. Tina Solórzano, Secretary
Kimberly Johnson

Staff Present:

Eric Vasquez, CEO
Paul Hudak, Director of Operations

I. Call to Order | Adrian Greer – Adrian called meeting to order at 4:56 PM

II Discussion and Decision re: Board Action item 6.1

Paul was asked to clarify and provide further fiscal information to make a more informed decision regarding the options considered for the present hard money loans secured to purchase our property. The options before the board were as follows:

- 1) Pay-off in full or in part Hard Money loans of \$175,000 and \$675,000 totaling \$850,000. At present, JU4Y only pays interest for these loans (11.75% - \$8,323/mo., \$99,875/year). Payments do not go toward loan balances, only toward interest.
- 2) Refinance both loans into conventional loans with interest between 7.2% - 7.7% depending on whether we go with a 10-year loan or a 30-year loan. Payments would pay interest and loan balance monthly.

Board made inquiries as to our present fiscal standing, particularly if we paid off loan:
Paul reported present balances:

- 1) Our rainy-day fund is now at \$1,000,000 – equivalent to 12 months' worth of core team salaries.
- 2) Our Checking balance is presently \$2,131,450.74. If we paid off Hard Money Loans - \$850,000.00+, we still would have \$1,281,425.00 left (give or take).
- 3) Our monthly payroll averages \$250,000
- 4) The checking balance does not include remaining construction costs. At present we are at a standstill due to City Hall delays in approval. Total costs indicated to construct are approximately \$1,000,000. Pts. have been in installments and Contractor has come under-estimates given.



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Additional Revenue Streams

- 1) Eric indicated that we have not included in fiscal availability the present grant moneys pending:
 - a) Gang Intervention - LA Co. - \$250,000.
 - b) He is also working with PUSD regarding the likelihood of district-wide tutoring program contract totaling \$2.8 million. It looks very promising.
 - c) He also mentioned the possibility of Pupil Services contract for Mental Health services with PUSD
 - d) Also, our present revenue from contracts received monthly was not included. (Paul showed budget redone thus far.) Although it is not complete, what comes in from present contracts covers all program expenses we make.

After reviewing this information given, Peter summarized that earning streams appear favorable :

- 1) Our rainy-day fund is strong with twelve period expense for Core Staff covered.
- 2) Our existing balance in checking is healthy and can withstand a pay-off of loans.
- 3) We have funds to pay construction in checking
- 4) We have monthly revenue from present contracts that were not included, and that will increase our checking balances and continue to supplement it.
- 5) We have the good possibility of increasing present and create new contracts that will also supplement our balances.

Peter H. moved to authorize the pay-off of the two loans totaling \$850,000. Motion was seconded by Tina S. Motion carried unanimously.
Paul was directed to pay-off loans as soon as possible.

The board also recommended that regarding construction contractor, if we can ask him to provide phases and costs required for these phases so we are not caught off guard with payments required.

III. 6.2 Grant Budget Approval - Paul

Paul showed a copy of revised budget and indicated that most grants we have applied for, require that we submit a formal operations budget. Paul indicated that CPA is still to make adjustments/corrections to present budget, but he was looking for board advise on any further changes. None recommended. Board would like a copy of operating budget sent to executive board by email when corrections are made.



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IV. 6.4 Security for JU4Y Property

Security Contract is nearing termination with Daniel Garcia, previous mentee. The board recommendation was to see if contract could be negotiated down to be competitive with other bid submitted. Mario Rodriguez made his suggestions indicated at last board regarding supplementing salaries for employees via other means available to help Daniel be competitive. Daniel was unwilling to bring his prices down so our Security will be provided by Safety Zone, which is the other Security co. that submitted their bid. They are more reasonably priced.

- V. Eric's final comments** re: approval for pay-off of loans discussed.
Eric was grateful to the board for agreeing to pay-off of loans.

Meeting was adjourned at 5:43 PM.