

**F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM**

**DATE:** November 22, 2017

**REQUEST DATE:** October 9, 2017

**Last grant acknowledgement:** Yes

**Program Area:** Human Services

**APPLICANT:**

Madison Area YMCA  
Family Center  
111 Kings Road  
Madison, NJ 07940-2122

**CONTACT:** Ms. Diane Mann, President and CEO

**PHONE:** 973-822-9622 x 2249

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$85,000+ **NATURE OF REQUEST:** Toward the F.M. Kirby Children’s Center Annual Scholarship Fund - \$85,000; towards the capital expansion project – unspecified amount

**GRANT HISTORY**

**LAST GRANT DATE:** 12/8/2016 **LAST GRANT AMOUNT:** \$250,000 **AFS DATE:** 5/11/2017

2012	\$85,000	9/14/2012	Toward the F.M. Kirby Children's Center Annual Scholarship Fund
2013	\$85,000	9/23/2013	Toward the F.M. Kirby Children's Center Annual Scholarship Fund
2014	\$85,000	9/15/2014	Toward the F.M. Kirby Children's Center Annual Scholarship Fund
2014	\$350,000	12/15/2014	For: Reserved for Future Decision
2015	\$410,000	12/11/2015	Toward the F.M. Kirby Children's Center Annual Scholarship Fund-\$85,000; for Reserved for Future Decision-\$325,000
2016	\$250,000	12/8/2016	Toward the F.M. Kirby Children's Center Annual Scholarship Fund-\$85,000; for Reserved for Future Decision-\$165,000

**See touches and general notes attached.**

**DLK COMMENTS:** See attached.

**JFT COMMENTS:** The breakdown of Financial Assistance is always comprehensive and succinct. The number of children served during the 2016/2017 school year is slightly down from the prior year, as is the dollar amount (\$333K in ‘16/17 - \$428K in ‘15/16), and the % allocations to programs tend to change as children (siblings) of the same family age.

We continually hear good news regarding this Y. In May, they exceeded their annual campaign goal by \$20K+, reaching \$400K for the first time. In June, “Nicole McLaughlin, a lead teacher in

## **APPLICANT: Madison Area YMCA**

the infant/toddler program at the F.M. Kirby Children's Center was selected to receive a 2017 Terri Lynne Lokoff/Children's TYLENOL® National Child Care Teacher Award. The distinguished

honor was bestowed on 50 teachers across the country who were honored at the 24th annual national celebration of child care teachers."

The F.M. Kirby Children's Center became one of the first child care centers to achieve one of Grow NJ Kids' (NJ's Quality Rating Improvement System) highest ratings (3 out of 4). Grow NJ Kids began in 2013; the children's programs must demonstrate higher standards and program characteristics. The assessment was time-consuming and cumbersome but assures families a measure of notable quality. The F.M. Kirby Children's Center elected to strive for a rating of 3 due to the fact that they were an initial pilot site and received a degree of pressure for staff training that was not attainable due to training hours, at the Grow NJ Kids facility, in a compressed time frame. They will be re-rated in 2018; if criteria remain the same, they anticipate receiving a rating of 4.

Diane mentioned the Homeless Solutions (HS) connection when she visited the FMKF in September to "connect" with USA Swimming as a possible Make a Splash partner. The Y was able to collaborate with HS due to the fact that the additional children who came to the F.M. Kirby Center as a result of the Madison Day Care closing are "aging out," thus creating space to accommodate HS clients.

Though our annual support is typically directed toward scholarship assistance, this Y is always producing cutting-edge programs, as evidenced in the Project Community Pride - Community Mental Health Initiative for which they received a 3-year grant of \$40K from the Glasser Foundation. The Y has two Mental Health First Aid trainers on staff and collaborates with the Mental Health Association of Essex & Morris on schedules to avoid conflicts and assure that the service is widely accessible.

The capital campaign is progressing nicely and leadership giving by the FMKF is noted in the proposal. The budgeted \$160K toward the campaign (RFD) will bring total FMKF support to \$1M.

Most of the "news" provided in the request has been highlighted during the year in a very public manner (newspaper articles, Facebook posts, etc.). Their creative marketing seems to be making a positive impact on revenue.

The request is informative, and I recommend the budgeted \$245K as noted below.

**WHB COMMENTS:** JFT has provided a very thorough review along with DLK's cut and dry financial overview. With each passing year, it becomes more and more apparent that selecting Diane Mann as successor to long-time CEO Barry Kroll was the right decision. Given SDK's considerable volunteer engagement in the Y's *Our Community Our Future* campaign to expand the Madison Area Y is simply further affirmation of that.

The FMKCC is a standout center for many reasons, not the least of which is its willingness to seek partnerships with outside entities, such as those with Nestle, M&T Bank, and Novartis. It's important to note that these partnerships provide mutual benefit, which is why they continue from year to year – kudos to the FMKCC and the Madison Y for its commitment of continuous quality improvement.

**APPLICANT: Madison Area YMCA**

**SDK COMMENTS:** I remain personally committed to active engagement on the capital campaign committee and the campaign's ultimate success, and have personally committed to a low six-figure gift. I would say progress is steady but leadership gifts are coming in a bit slower than I had hoped;

I think securing \$8 million from philanthropy would be considered a success. Future operating surpluses and some debt will likely provide the additional \$2-\$3 million need to complete the project.

A few years ago, I suggested to the FMKF Board that our ultimate gift to the campaign might be \$1 million+. With an emphasis on the "+," and what has been stated above, I am recommending that we make a further grant allocation of \$140K this year (modestly lower than the \$160K we had targeted); pledge an additional \$135K per year in 2018 and 2019 (\$270K total); and authorize the release and allocation of all RFD funds toward the current capital campaign. This would bring our total commitment to \$1.25 million and finalize the matter. While more than I originally envisioned, we would ultimately have spread our commitment out over 6 years (2014-2019). This would not quite match the \$1.5 million we gave 25 years ago (hard to believe!) to "name" the F.M. Kirby Children's Center which I still believe was one of the most impactful community/human services grants we have made over the past quarter-century.

Finally, subject to the level of interest on the part of our Board, if a naming opportunity for the new pool or aquatics center is offered to us, as I expect in due course, I think it would be quite fitting to honor Walker D. Kirby. It would be a nice complement considering that Y's Children's Center, located across town, already bears FMK's name. This campaign is solely focused on the Y's "family" center which was our Kirby family "Y" for years and where WDK spent hours watching swim "meets."

**FM KIRBY FOUNDATION**  
**Financial Statement Analysis**

<b>Grantee Name:</b>	Madison Area YMCA	<b>Date:</b>	<u>10/16/2017</u>
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$85,000 (FMKCC Scholarship); \$X (Capital Campaign)	<b>Type of Financial</b>	
<b>Recommended Amt.</b>	<u>\$ 225,000</u>	<b>Report Submitted</b>	<u>Audit</u>
<b>Board Approved Amt.</b>		<b>Period Covered</b>	<u>FYE 12/31/16</u>
		<b>in Financial Report</b>	
<b>Audit Firm</b>	<u>R.A. Fredericks &amp; Company, LLP</u>	<b>Date of Report</b>	
<b>Opinion</b>	<u>Fair</u>	<b>Issuance</b>	<u>5/11/2017</u>
<b>Basis of Acctg.</b>	<u>GAAP</u>		

<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	3.41	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 11,232,460
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**Note:** A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

Allocation of Functional Expenses		%	Must Read Financial Statement Notes
<b>A. Program Service Expenses</b>	\$ 9,425,609	80%	Ideally program expenses should be at least 70% of total budget.
<b>B. Management and General</b>	\$ 1,945,182	17%	
<b>C. Fundraising</b>	\$ 364,147	3%	
<b>D. Total Expenses</b>	<u>\$ 11,734,938</u>	<u>100%</u>	

**Comments/ Notes:**

Madison Area YMCA has a 6% increase budgeted in 2017, primarily in the salary area, and expects to break even. There was a \$612K surplus in 2016 which resulted in cash provided by the operations of \$1.5M mainly due to a decrease in their Unemployment Trust Fund of \$101K (related to changing vendors) and an increase in accrued payroll and vacation of \$124K. The Y had investments of \$3.7M, an increase of \$1.6M over 2015. Endowment assets total \$1.5M and there were no appropriations during the year. I see no red flags as a result of my review.

**APPLICANT: Madison Area YMCA**

**DISPOSITION:**

- Rejection
- Hold for review on/about:
- Approval for: **\$495,000**
- Hold for Board Review
- Insert Information: **Enclosed herewith please find our grant for \$225,000; toward the F.M. Kirby Children's Center Annual Scholarship Fund-\$85,000; toward the *Our Community Our Future* campaign-\$140,000 and we hereby pledge an additional \$135,000 in both 2018 and 2019 to the campaign.**

**Furthermore, we also authorize the release of all funds within the Reserved for Future Decision account toward the *Our Community Our Future* capital campaign.**

- Other: **SDK to draft letter outlining the above insert information to accompany grant check**

Initials:   xak   Date:   11/28/17  

Check #: \_\_\_\_\_ Date: \_\_\_\_\_

Referenced touch:

**Date:** 7/20/2016

**FMKF Contact:** S. Dillard Kirby

**Grantee:** Madison Area YMCA

**Grantee Contact/Met With:** Diane Mann, President & CEO, and Sharon Kunas, Vice President of Organization Advancement

**Means of Contact:** MCGC Event

**Short Summary:** ATK and I hosted a group of approx. 20 who had all participated in the Y's campaign feasibility study. It was really an effort to cultivate potential campaign cabinet members. The information relayed by consultant Jon Simmons, the Board Chair Michael Caulfield, and Sharon Kunas was all top notch and seemed to be well received. I also spoke about why I/we saw the need. ATK and I have another such event scheduled for August 3rd evening and, between those two, hopefully a group of 10+ cabinet members will be formed and the Y will be off to the races. Chris and Bea Daggett attended and he participated in the discussion.

Referenced touch:

**Date:** 8/3/2016

**FMKF Contact:** S. Dillard Kirby

**Grantee:** Madison Area YMCA

**Grantee Contact/Met With:** Diane Mann, President & CEO, and etc.

**Means of Contact:** Hosted campaign event

**Short Summary:** Basically ditto from 7/20, yet two couples did not show up that had accepted, including Hans Dekker, and I have yet to hear from him. Good questions and, again, the Y staff handled themselves very professionally. I like the chair of the Board, Michael Caulfield, more each time I meet him.

Referenced touch:

**Date:** 12/16/2016

**FMKF Contact:** S. Dillard Kirby

**Grantee:** Madison Area YMCA

**Grantee Contact/Met With:** Diane Mann, President & CEO; Sharon Kunas, Vice President of Organization Advancement; and Michael Caulfield, Board Chair

**Means of Contact:** On campus

**Short Summary:** Met with the two members of management and Michael, Board Chair, to discuss our recent gift, campaign strategy, and my personal involvement. Campaign material draft looks good and they received specific quotes from me to use. A few Board members have ponied up year-end capital gifts that represent "first installments" given the opportunity to dispose of appreciated stock before year-end. Michael suggests that Board giving goal has been raised from \$1 million to \$1.8 million. Four new Board members were just elected, including my suggestion of Michael Griffin, a young executive at J.P. Morgan who is a Madison Y member and has three young children and wife using the Y.



**Madison Area YMCA**

**NOTES**

**From: S. Dillard Kirby**  
**Sent: Friday, September 22, 2017 11:32 AM**  
**To: Diane Mann <DMann@madisonymca.org>**  
**Subject: RE: Thank you for including me**

Thanks, Diane, it was nice having you there. I just thought a good connection to make on several levels, even if only informational. Glad to hear meeting went well with your team and Shway...I could try and reach out to Jim Wood and see if he would be receptive to a discussion with you. Let me check, I think I have his e-mail address. I will let you know if I made a connection and reaction in due course.

I appreciate the sentiment behind Harriet's suggestion, and do not want to sound like a "downer". That said and between you and me, the "35<sup>th</sup>" seems a little contrived; I don't believe there was any "25<sup>th</sup>," for example. Furthermore, other than myself, getting Kirbys there for an informal end-of-year celebration would be very tough. We have a Board meeting on Dec. 8<sup>th</sup>, but a very full day into the evening planned already. Geographically, we are just too spread out and at age 93, my Mom, is not well. I am sorry I cannot be more receptive to the idea. If Harriet plans on a staff celebration and you want me to stop by, I can try and do so but as you know my focus at the Madison Y is currently the campaign.

BTW-I note no grant request this year yet and last year we received it in mid- August. I assume a request is forthcoming requesting Kirby Center Scholarship support, and additional campaign support along the lines of last year?

Best,

Dillard

**From: S. Dillard Kirby**  
**Sent: Thursday, September 21, 2017 2:06 PM**  
**To: William H. Byrnes <whb@FMkirby.com>; Joann Tiefau <jft@FMkirby.com>**  
**Cc: Erin Clifford <ecc@FMkirby.com>**  
**Subject: RE: Thank you for including me**

Good points. My reluctance is that 35 year anniversary seems a big contrived (I don't remember any 25<sup>th</sup> year anniversary), and I also had the concern of diluting my current, personal concentration on the capital campaign. They are asking lots of me now (time and resources), so the timing of requesting my involvement also hit me a bit wrong....I will express this in a nice way and see reaction, but also agree that they have this planned already.

Dillard

**From: William H. Byrnes**  
**Sent: Thursday, September 21, 2017 1:59 PM**  
**To: S. Dillard Kirby; Joann Tiefau**  
Cc: Erin Clifford  
Subject: RE: Thank you for including me

Dillard and Gang,

I don't think it would be a bad idea, but I wouldn't want such to take away from the bigger picture...the current capital campaign. However, I get the impression that by using the phrase "to host an informal end-of-year anniversary celebration", the term "informal" might translate to "internal" as well. If so, I think it's a very sincere and thoughtful gesture that you should encourage. If, on the other hand, they have a more "formal" function in mind, I might tend to discourage them.

Bill

**From: Joann Tiefau**  
**Sent: Thursday, September 21, 2017 1:49 PM**  
**To: S. Dillard Kirby <sdk@FMkirby.com>; William H. Byrnes <whb@FMkirby.com>**  
Cc: Erin Clifford <ecc@FMkirby.com>  
Subject: RE: Thank you for including me

My thoughts are that the Kirby Center is well-know and has a good reputation. Would it be what it is today if not the 1992, \$1.25M grant "to renovate and rename the F. M. Kirby Children's Center?" They are already preparing for the celebration and the decision is yours. I would be happy to attend an event if such dose arise

Jo

**From: S. Dillard Kirby**  
**Sent: Thursday, September 21, 2017 12:33 PM**  
**To: William H. Byrnes <whb@FMkirby.com>; Joann Tiefau <jft@FMkirby.com>**  
Cc: Erin Clifford <ecc@FMkirby.com>  
Subject: FW: Thank you for including me

FYI, and any thoughts on whether we should encourage or be involved in a "35th" anniversary?

Dillard

From: Diane Mann [mailto:DMann@madisonymca.org]  
Sent: Thursday, September 21, 2017 12:04 PM

To: S. Dillard Kirby  
Subject: Thank you for including me

Hi Dillard,

I enjoyed, and appreciated, the opportunity to meet the USA Swimming folks yesterday. I believe that after today's meeting with Shway and my team, we will be able to get the Madison Y included on their website as a provider at some level. There are indeed partnership opportunities, and I appreciate you opening the way for this. As time allows, I'd appreciate having your thoughts on whether, and how, to open conversation with Jim Wood at Berkeley Aquatics. Perhaps we could interest him in providing us some pool time for a year-end Make A Splash event.

On another topic, Harriet McCarter brought to my attention that 2017 marks the 35th Anniversary of the founding of the F.M. Kirby Children's Center. Harriet has produced some display banners at the Center, and she would like to host an informal end-of-year anniversary celebration with the Kirby families and staff. Would you give this some thought and let me know any preferences and/or guidance you have as we think about marking this anniversary? We would want to assure that such a celebration is aligned with your wishes and priorities.

Thank you for all you are doing for our community, Dillard. We're honored by your commitment to our cause.

Best,

Diane