

West Volusia – Daytona Beach Merger
Finance – Sub-Committee Minutes
November 12, 2007
5:00 p.m.

Members present: John Brim, Jon Davidson, and Bob Ludlow
Staff: Ken Barnes, Steve Jennelle, Chris Seilkop and Dave Shaw.

The meeting was called to order by Bob Ludlow at 5:04 p.m.
Dave Shaw gave the invocation.

Bob gave an overview of our last meeting and then talked about the proposed reserve structure for our combined Association. Bob talked about the budgeting process, bond issue, and asked Chris Seilkop for an update on the Orange City project. Chris stated the Corporate Board will be meeting in the morning to vote on the revised project. Chris stated the Deland YMCA had a higher cost projection for their capital project than was initially communicated a few months ago. The total cost at this time for the Deland, Debary, and Deltona projects will amount to about \$8.2 million dollars. Chris and the West Volusia volunteers updated us on the increasing cost for their current lease at the Orange City facility and they wanted to move into their own facility.

Bob asked Chris to please be able to share with this committee, Where/What will be the bottom line on the debt service after the final process to move the Orange City YMCA? Chris will continue to update this committee on the project.

Bob then led the group with an overview of the proposed reserve structure diagram on both a branch and corporate level. In order to reach common middle ground for both Associations, the intent was to propose that operational expenses become budgeted items within the branch budget. The example of the diagram was to serve as a starting point for this committee.

The 2 association's reserves would remain the same until 2009-2010 and they will continue to be branch specific. The staff will continue the work on their 2008 budgets with a new 2009 budget that will mirror one association budget. The committee requested that we provide a strategic function regarding all of the proposed reserves along with keeping the Capital Debt concept separate in our discussions around the reserves. The staff will update the diagram along with more structure for further discussion by this committee. The reserve diagram will receive additional input from the new CEO along with the merged Board of Directors on the specifics of the assessments from the branches and corporate office. The committee embraced the new proposed reserves concept but oversight is still an issue along with the usage of the new corporate association reserves.

Dave Shaw along with the staff team will update the current proposed reserves diagram and it will be sent to the committee prior to our next meeting.

The staff will send out their updated recommendations for review prior to our meeting on Monday, November 19, 2007, 5:00 p.m. at Bob Ludlow's office.

At this time the sub-committee will formally request the Merger Committee to move any major decisions back until after the first of the 2008 year. Our committee will need an additional meeting to resolve some of our current issues.

There being no further business the meeting adjourned with prayer by John Brim at 6:45 p.m.