

West Volusia-Daytona Beach Merger
Governance Sub-Committee
Meeting Notes
August 13, 2007

The meeting was held at the United Way building at 5:00 pm. All members were in attendance; Eddie Sanders, John Boswick, Greg Snell, McFerrin Smith, Pat Coggins and Pete Gamble. Jerry Haralson facilitated the meeting.

Jerry opened with a word of prayer.

Due to the presence of one new member we went around the room and introduced ourselves. It was amazing the talent and YMCA experience that was present.

We reviewed the notes from the previous meeting. There being no changes the notes will be filed for future reference.

Jerry outlined the agenda and goals for the meeting. He reported on the progress of other sub-committees and his desire to identify "Key Issues" from the group tonight. He suggested that we review the document he sent out in advance comparing the two Associations on governance issues and then do a SWOT analysis of any "key issues". The sub-committee agreed.

Pat Coggins was not able to stay for the entire meeting so he asked the Sub-committee to consider three issues as areas of concern.

1. Conflict of Interest statements are not strong enough and need to be given serious consideration.
2. Voting Rights should be reviewed because they are different in the two Associations and the subject of voting rights represents a fundamental philosophical position for the organization.
3. Sarbanes-Oxley is a major component of any not-for-profit and needs to be addressed in the organizational documents of the Association. He reported four key elements in S-O.
 - a. Conflict of Interest
 - b. Audit Committee structure and responsibilities
 - c. Whistleblower language and rights

d. Financial statements being certified

There was discussion on the different levels of approach to Sarbanes-Oxley but everyone agreed that we needed to address the issue in the most professional manner.

Jerry outlined the process for reviewing the process by which we might review all of the subjects identified. He first asked if there were additional issues that were missed on his review. After some discussion on a variety of subjects we went through the "Governance Issues" document. We reviewed each category to determine if the issue was an Easy, Medium or Hard issue. The results of this evaluation are recorded on the master form. The only two Hard issues were the "Voting Rights" and "Withdraw from the Association" subjects. We had already discussed the voting rights subject.

We agreed to do a SWOT analysis of the "Withdraw from the Association" subject. Jerry led the process of individual members addressing the Strengths, Weaknesses, Opportunities and Threats of the West Volusia language about withdrawing from the Association. We used the exact language in the by-laws.

Here are the results of the discussion process.

Strengths

- Earn your Branch every day
- Give equal status to Branch and Corporate Board
- Ensures a reasonable amount of branch autonomy
- Breads independence
- We want stability

Weaknesses

- Impetuous decision making by small group
- Permits raids for other YMCA's (or others)
- Doesn't promote "one YMCA"
- Breads independence
- Mission of helping other YMCA's
- Doesn't see big picture
- Longer YMCA institutional memory

Financial giver is put in jeopardy

Opportunities

- To improve what we currently have
- To give branch more respect
- To empower the branches to do what they need to do
- To ensure that corporate does what they are charged to do
- To promote checks and balances

Threats

- Disunity and splintering
- Threat from outside (non-YMCA)
- Clear opportunity for volatility (taking away from mission)
- Causes internal strife and doesn't serve members or staff
- Can withdraw from strength not weakness
- Specialty group takes over

After the process was completed the group felt that it had been a good process. Jerry will summarize the status of the sub-committees work in a report to the Merger Committee for tomorrow night. We agreed to meet again next Monday to evaluate where we are as a sub-committee and make a recommendation on the Letter of Intent.

Jerry was asked to summarize where he thought the sub-committee was. He reported that: we have reviewed a number of subjects and have determined that two: Voting Rights and Withdraw from the Association are "Key Issues". The Voting Rights subject appears to be resolvable because there are a number of ways to approach the subject that would be acceptable to both Associations. The "Withdraw" subject has received considerable discussion and it appears that everyone agrees that the language would be better if changed. The sub-committee will continue to meet in hopes of resolving the issue.

The next meeting was set for Monday August 20th 5pm at the United Way office.

The meeting was adjourned at 6:32 PM.