

YMCAs of West Volusia and Daytona Beach
Report on Merger Committee Meeting
January 8, 2008

Kathy Ambachtsheer called the meeting to order at 6:02 p.m. and chaired until Rand Spiwak arrived a few minutes later. Jerry Haralson led the group in an opening prayer.

Members present were Kathy Ambachtsheer, Rand Spiwak, Phillip Stephens, George Flack, Bob Ludlow, Eddie Sanders, Dennis Stark, John Bostwick and Bruce Teeters. Staff members present were Chris Seilkop, West Volusia; Ken Barnes, Daytona Beach, and Jerry Haralson, Consultant. Ivan Cosimi was not present. McFerrin Smith from the Governance Sub-Committee was present.

The minutes of the December 18th, 2007 meeting were approved.

Consultant Report

Jerry Haralson gave a general overview of the agenda. He suggested that we first accomplish all of the detailed business, then deal with another review of the bylaws and the formal recommendation. During the general discussion the Committee decided the following:

- All information on the website will be made available to any member of the Corporate or Branch Boards. Rand will release all passwords within two hours.
- The Corporate Board Merger Notebook will be available on the website.
- For the January 14th joint Corporate Board Meeting
 - We will provide food
 - We will have a timed agenda
 - We will have a brief "ice breaker" and then review the notebook
 - The meeting is scheduled to start at 6:00 p.m. and end at 8:00 p.m.
 - Notebooks will be delivered to all members not in attendance.
 - An email will be sent to all Branch Board members along with the Executive Summary, Formal Recommendation and Merger Committee Report
- Merger Committee members will plan to attend all of the Branch Board meetings. Assignments were made for all meetings.
- A press release will be written in case of a positive vote.

Second Review of the Proposed By-Laws

McFerrin Smith presented the second draft of the bylaws. We agreed to delete language in reference to Camp Winona on page 8, Section 4. Greg Snell has provided language for the "(Arbitrator detail to follow)" place holder. McFerrin will include these changes in the next version of the bylaws. The Committee had an open discussion about the bylaws and agreed that no other corrections or modifications were needed at this time. It was pointed out that these bylaws are a draft and can be changed over the next few months based on any input. We were also reminded that bylaws can always be changed by the Corporate Board after due process.

George Flack asked McFerrin if he had any concerns about the bylaws. He responded that he was only the scribe and not the deciding factor. That understood, he pointed out three issues that gave him some personal concern:

1. He believes Sarbane-Oxley is not followed to its full extent in the bylaws. Specifically, he is concerned about having the CFO reporting to the CEO and believes that, in order to be compliant with Sarbane-Oxley, the CFO should report to the Board rather than to the CEO. The Committee discussed this issue; most members expressed the belief that, notwithstanding Enron, most corporations and not-for-profits are structured with the CFO reporting to the CEO. We were reminded that Chuck East pointed out at the last meeting that the YMCA would have a difficult time going against the YMCA protocol of the CFO reporting to the CEO. Jerry will check with YUSA for clarification.
2. Because Camp Winona does not have facility dues-paying members, then they should have difficulty being a branch. The Committee members expressed the belief that Camp Winona should be a branch and agreed we will determine a way to clarify any discrepancy in membership issues.
3. In the bylaws dealing with conflicts of interest is left to the Board for Board Members and the CEO for staff. McFerrin believes this is not definitive enough and that a breach should result in immediate termination under the guidelines of the bylaws. The Committee discussed this issue and was ready to leave the language as stated.

McFerrin pointed out the definition of "ex-officio." It should be understood that Branch Board Chairpersons are on the Board because of their position as a Branch Board Chairperson; their ex-officio status does not mean that they are non-voting

members. Ex-officio members are always voting members unless that status is specifically defined differently.

A motion was made by Dennis Stark and seconded by George Flack:

To approve this draft of the bylaws with noted revisions for presentation to the Corporate Boards for consideration during the vote to merge.

Motion passed

The Committee members expressed great appreciation of McFerrin's work.

Formal Recommendation

The Committee reviewed the Recommendation of the Merger Committee document to be presented to the two Corporate Boards for consideration. Jerry reviewed the document in detail. The Committee expressed appreciation for the quality of the recommendation.

A motion was made by George Flack and seconded by Bruce Teeters:

To approve the Recommendation of the Merger Committee document and to forward it to the two Corporate Boards for a vote.

Motion passed

Next Meeting

No future meeting was scheduled. It was noted that this may be the last meeting of the Merger Committee.

Reported by Jerry Haralson