

Daytona / West Volusia YMCAs
Merger – Meeting Notes
Chuck East

What constitutes a Key Item?

- No set definition for a key item
 - YMCAs key items are always different – Why – each merger is different – each YMCA is different - cultures are different – volunteer interests are different and the circumstances around each consolidation are different.
 - However here are some general guidelines to consider:
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 - Issues that you know will be sensitive to your respective boards
 - Issues that are intricate, and if not handled correctly from the start, could jeopardize the health of the combined YMCA
 - Issues that are sensitive to the staff and or volunteers
 - Issues that might be sensitive to donors and /or community
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- Let me give you some examples of key items other YMCAs involved in merger discussions have faced:
 - Inability to determine a CEO
 - Membership pricing – agreement on a common membership pricing structure / strategy acceptable to the community and boards
 - Assumption of capital and operational debt of one or both YMCAs
 - Treatment of endowment funds of each organization
 - Formulation of a viable governance system for the combined organizations
 - Community and/or Membership resistance to the consolidation
 - By-laws that required a membership vote

Next Steps

- Each committee identifies the top 2 issues in their respective areas
- Determine why they consider these the top 2 issues
- Develop a SWOT around each issue (Strength, weakness, opportunity, threat analysis). After discussion of the group do the following:
- Recommend to the Merger Task Force one of the following recommendations:
 - At this time we recommend that the above two issues, although intricate at this time, can be over come by real solutions during the due diligence period and recommend a Letter of Intent be initiated.
 - At this time either one or both of the issues need more study and there fore recommend an extension of time be given prior to a Letter of Intent being sent to the respective boards
 - At this time the task force can find no viable solution to the issue(s) and feels that it would jeopardize the health of a consolidated organization and no Letter of Intent be initiated.

- The Merger Committee then discusses these recommendations and decides to:
 - o Explore any issue that might jeopardize the consolidation and Letter of Intent initiation
 - o Write the letter of Intent to each Board recommending consolidation subject to a detailed due diligence study being completed
 - o Recommends closure of the merger process and informs each board of that decision.

Issues for inclusion of Letter of Intent

- Short history an organization of merger committee and task force organization that includes staff and volunteer participation of each unit during the study time
 - The recommendation to proceed
 - Rationale behind the recommendation to continue outlining the opportunities that exist as well as the top challenges that face both organizations during the due diligence period.
 - Conclude the recommendation with the Merger Committee's feelings that the challenges can be overcome and the short and long term opportunities outweigh the challenges when it comes to serving our communities with increased quality services.
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