

**Channel Islands YMCA  
Association Board Meeting  
February 19, 2009  
Ventura Family YMCA**

**MINUTES**

Present: Darren Caesar - Chair, James Armstrong, James Ciontea, Jim Dixon, Mark Fingerlin, Tony Harbour, Merrill Hoffman, George Leis, and Jeff Speich.

Staff: Margo Byrne, Sal Cisneros, Tim Hardy, Lynn Karlson, Serena Kelsch, Dan Powell, Joan Price, Susan Sawyer, Pam Swenson, Jody Taylor, Megan Voshell, and Manuela Williams.

Absent: George Armstrong, Robert Coles, Brian Gough, Butch Phillips, Woody Rollins, Joe Sullivan and Michael White.

Meeting called to order by Darren Caesar, Chair. He thanked the Ventura YMCA for hosting this board meeting. Introductions were made.

The opening thought was given by Serena Kelsch.

**Chair's Report:**

Darren recognized the good work done with communications and advertising. Many people commented on it. It is important during these challenging times to get the word out and remember who we serve.

**President's Report:**

Sal shared that we grew 4% in the first half of the year, but now the economy has caught up with us. January memberships are down and we need to work hard to finish the last six months okay. The participation in the branches is high. We are a place of respite and a safe heaven. People cope with stress and wellness programs are very important in these times. It helps people to stay healthy and relieve stress.

**CONSENT AGENDA**

All Minutes and information included in the consent agenda were sent by email to the Board.

**Motion by Jeff Speich/seconded by Mark Fingerlin/carried to approve the consent agenda including all minutes as listed in the board packet.**

**Program Highlight:**

Tim Hardy gave a Wellness presentation.

**COMMITTEE REPORTS**

**Financial Development Committee:**

Serena shared that we have raised \$280,000 to date. Last year this time we had raised \$292,000. We are still \$12,000 below the goal but we raised \$100,000 last week alone. If we take into account SCG, YFS and the Association Office special circumstances, we are on target for Campaign. There are two reasons she believes we are doing well. One, this is the first year we have done an association-wide marketing

campaign. We are covering radio, TV and newspaper; we are getting the word out that we are a charitable organization. Second, we are focusing more on campaigner stewardship. The Association Development Department developed training materials for campaigners, relieving branches a portion of the Campaign burden. In turn, this allowed branches to better focus on campaigner recruitment and stewardship. As a result, we have more campaigners than ever. Last year we had a total of 380 campaigners, this year we already have 424, and we are not finished. The branches are prepared to work hard to make our goal. The Association Board has raised 30% of their goal for the Campaign for Youth.

### **Finance Committee:**

**January Memberships:** Jim explained that the January Open House drive did not go as expected. Compared with last year we are down by 500 members. Ventura and Camarillo did well but all other branches lost members. It will be hard to make the budget with this revenue shortfall. Sal described that historically memberships go down August through December and then pick up again in January. Association wide we had over 1,000 people come though our open houses but we closed only on 500. Also, a lot of people did not renew their memberships. Scholarships are up, there is no doubt that the economy has caught up with us.

### **January Financials:**

If we look at the all branches consolidated; YTD annual comparison is at a negative <\$461,846> compared to budget \$381,562 and last year at \$228,331. Revenue is still up by 2.79% but spending is up 6% compared with last year.

### **Performance Calculation:**

The Performance Calculation shows the current Forecast result at year end for each branch. The Contingency and Operating Reserve expenses are backed out as they represent amounts set aside for unexpected expenses and future capital improvements. Before reversing these reserves the Forecast shows a negative <\$223,470> net Association deficit. After reversing the \$437,000 in reserves, we have a performance total of positive \$213,530. The reserve credit is what would be added to or subtracted from their Accumulated Operating Reserve.

### **Fixed Asset Acquisition and Disposal Policy:**

Cindy revised our old policy by adding more clarity and by including dispositions.

### **Motion by Jim Ciontea/seconded by Jim Armstrong/carried to approve the Fixed Asset and Disposal Policy as submitted.**

### **Strategic Question:**

We grew 4% through December, and started re-forecasting in November. Compared with last year we are off budget by <\$230,000>. Using January as a starting point for the next six months Sal gave the Executive Directors directions that included decreasing the overall campaign forecast by \$100,000 and making the necessary adjustments to membership and program income. To offset some of this decreased revenue Executive Directors are looking at cutting costs and programs.

The strategy for the next budget year is not having high expectations. We need to concentrate on membership retention, not growth. Sal and Cindy developed the following budget guidelines and asked the board for feedback because they include some philosophical decisions/changes.

### **Revenues**

#### **Annual Campaign**

- Budget based on actual trends from 2008 – 2009

- No increase
- Increase percentage for estimated bad pledge allowance

#### Membership and Program Revenue

- Budget based on actual trends from 2008 – 2009
- No increase

#### Expenses

##### Salaries and Wages

- Salary and wage freeze for all full-time, benefited positions

##### Employee Benefits

- Medical, Dental and Life  
Monthly contribution rate frozen at \$368/per month
- Retirement  
Consider contribution reduction from 12% to 10% or 8%

##### Reserves

- Reduce from 6.93% to 6% or 5%  
Primarily Operating Reserve

Sal gave some background on the retirement contribution. He stated that salaries are more competitive today compared with 1924 when the Fund was established. If we reduce the contributions, the employees will still have the option to contribute additional money to the Fund. Jim Dixon wanted to know if the contribution percentage will be increased again if things get better, and Sal believes that this might not happen. Mark wanted to know if all YMCAs participate in this retirement plan or if some are using 401(k) or 403(b) plans. Most YMCAs participate in this plan which is a 403(b) plan. If we want to change the contribution percentage, we must give the Retirement Fund 60 days notice and we can do this only once during the plan year (July – June). Tony Harbor said that he would prefer keeping the contribution as high as possible.

Currently we are putting 6.93% of our income in reserves. Sal proposes to change it to 6% or 5%. This way it frees up money for the branches.

Darren asked if we should budget on trends or should we take an even bigger step and budget for a decrease? George Leis stated that the markets in Ventura, Lompoc, Santa Maria and Oxnard are deteriorating the most, which puts a lot of stress on revenue and membership. Mark agreed and stated that the trend is downwards and will go down even further. The cycle has not flattened out. Discretionary spending is under much pressure, and he believes it will get worse before it gets better. There was discussion on how to define or measure a trend. George L. wanted to know what our real attrition is; he believes that is the key measure. How many members are leaving and how many are signing up?

Jeff stated that we need to remain competitive with employee benefits. Maybe we should get input from staff what is more important: the 12% contribution or the health care benefits?

Reducing salaries is not a good thing, but a freeze is important. George stressed that having a contingency plan is highly important.

Not all hourly staff will automatically get a rate increase, we need to be strategic about it and decide on a case by case basis.

The consensus was to implement a salary freeze and strategic use of hourly staff salary increases. Margo stated that she has more part time than full time staff in order to save money. Be careful with hourly staff salary increases. The idea was to have flexibility with part time staff.

Retirement contribution decrease should be considered.

Decrease reserves, operate with less cushion, this is something that is realistic and achievable.

Tony stated that staff is asset and now is a great opportunity to look for good staff. Take away only one thing; either retirement or medical. Jim Dixon expressed that it is okay to take it away but urged to give it back when times get better.

Jim Armstrong suggested seeing two more months of data before we make a decision on the retirement contribution. Use it as a last resort. Follow the trend and prepare for worst case scenario.

### **Governance Committee:**

Jeff explained that the committee reviewed The Principles for Good Governance and Ethical Practice – A guide for Charities and Foundation (PGG), that state "The board of a charitable organization that has paid staff should ensure that the positions of Chief Staff Officer, Board Chair, and Board Treasurer *are held by separate individuals....*"

Our bylaws state that:"...The officers of the Channel Islands YMCA shall be a Chair, Vice Chair, a Secretary, a Treasurer, and President/CEO. *Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the Chair.*"

**Motion by Jim Armstrong/seconded by Merrill Hoffman/carried to approve the amendment of the bylaws as follows: The officers of the Channel Islands YMCA shall be a Chair, Vice Chair, a Secretary, a Treasurer, and President/CEO. Each officer position must be held by a different individual.**

### **Review Travel reimbursement Policy for spouses, dependents or others:**

The committee reviewed our current policies, one for spouses/significant others attending events within our service area, one for spouses/significant others for events outside our service area. The committee felt the policies are consistent with past practices and it was agreed that there is no need to change them but wanted them to be brought before the board as information item to show the committee's work.

### **Board Development Committee:**

Darren asked the board to keep sending suggestions to Manuela. Our goal is to have a new class by our annual meeting in June.

### **Risk Management & Planning Committee:**

Cindy explained that the Contract Approval policy was developed to assure that contracts are reviewed and executed in a manner that is consistent with policies and statutes. It will also assure that the person(s) signing the contract have not originated and presented the contract for review.

**Motion by Jeff Speich/seconded by Mark Fingerlin/carried to approve the Policy #2.150 as written.**

The Aquatic Audit is also an informational item. The committee wanted to show the board the aquatic audit as it relates to pools. We have six pools in the association, which are the areas for the highest risk. It covers access, pool area, supervision and staffing, emergency procedures, and pool mechanical rooms. George inspects each pool on an annual basis and does follow-up visits if necessary.

Tony Harbor gave kudos to George and said that he is a great asset to the organization.

### **Investment Committee:**

Mark Fingerlin reported that the committee has managed our investments since the first calendar quarter of 2008. Currently 34% of our money is in cash in a Schwab account. If we had invested it our portfolio would show a loss of 38%, instead we lost “only” 26%. Currently we are not investing in international stock. There is no rush to invest the remainder of the money, due to the current state of the stock market.

### **Branch Updates:**

Lompoc: Jim Dixon said that money and members are the issues. Their board decided to waive the join fee. Jody was on TV and the paper. As of today and since February 130 new members joined. They started their campaign earlier this year and are \$10,000 ahead from last year.

Montecito: SEER was a positive report because everything went up compared with last year. The capital committee sent an RFQ to seven architectural firms in Santa Barbara, and then narrowed them down to three. After meeting with them they will narrow it down again to two and have both do a conceptual design and then make a decision. Paid memberships are down but actual memberships are up. They are serving 85 families who lost their homes in the Tea Fire.

### **Stuart C. Gildred:**

Membership and Program revenue are challenges. They had a summertime slump and a great fall and then a slump again in January. The facility is busy as ever but overcrowded. They are working on their capital campaign. They did a study two years ago but are taking cautious and extra strategic measures. They have raised 34%, which is \$1.4M. They have “ask outs” of \$1.3M amongst three different entities. The committee will meet again in March to decide what to do. SCG was considered “Best Health Facility” in the Valley Journal.

Santa Barbara: Tim said that they will survive.

YFS: Lynn went to Washington D.C. to attend the National Network for Youth conference on homeless youth. We currently receive a \$130,000 Basic Center grant and a \$100,000 a year Street Outreach grant. Both grants are through funds made available by the Runaway and Homeless Youth Act. During the last session of Congress an increase in Runaway and Homeless Youth Act funds was authorized, but it will be up to THIS Congress to actually appropriate the authorized funds for the increase.

They are starting the kitchen remodel for Noah’s. Lynn is asking the Reaching for Stars chefs to donate food/meals for the kids. Lynn asked if anyone wants to come and cook a meal for the kids at the shelter. The Reaching for Stars event will be held on May 13. Please come and join us. They have received a \$10,000 donation to be matched and have already received some money.

Camarillo: Sal explained that they have their team kick-off tonight.

There being no further business the meeting was adjourned.