

**Channel Islands YMCA
Association Board Meeting
March 17, 2011
Ventura Family YMCA**

MINUTES

Present: Brian Gough - Chair, Sandy Allan, George Armstrong, James Armstrong, Darren Caesar, Jim Dixon, Mark Fingerlin, Andrew Grant, Dale Haslem, Sally Irving, George Leis, Norm Nebroski, Ric Ruffinelli, Jeff Speich,

Staff: Margo Byrne, Sal Cisneros, Cindy Halstead, Tim Hardy, George Heesen, Dan Powell, Joan Price, Susan Sawyer, Pam Swenson, Mark Watson and Manuela Williams.

Guests: Annick Faict, Andrew Marostica, and Matthew Renfro.

Absent: Gail Anikouchine, Robert Coles, Tom Heter, Jon Martin, Woody Rollins, Joe Sullivan and Daniel Watkins.

Meeting called to order by Brian Gough, Chair.

Mark Fingerlin gave the opening thought. Brian announced that Mark Fingerlin will retire and leave the association board. He thanked Mark for his tremendous contributions and his time and service on the board.

Chair's Report:

Brian gave an update of the reports and action items on today's agenda.

President's Report:

Sal also thanked Mark for his contributions and said that he had made a difference.

Drywall Labor Union Letter: We received a letter from the Drywall Labor Union in anticipation of SCG's contract award. The letter states that the four general contractors we are considering all have used or are using non area standard contractors and therefore the job site will be picketed by the Union.

Meeting Materials on the Wiki: Sal encouraged board members to access our Intranet as it relates to our association board page. It contains a variety of resources and information, i.e. Board Roster, Board Calendar, Mission Statement, By-laws, Board Meeting Minutes – and Packets, Committees, Committee Meeting Minutes – and Packets and much, much more. The attached document explained how to access it.

CONSENT AGENDA

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

Motion by Ric Ruffinelli/seconded by Andrew Grant/carried to approve the consent agenda including all minutes as listed in the board packet.

PROGRAM HIGHLIGHT:

Tim Hardy introduced Matthew Renfro, a staff person at the Santa Barbara Family YMCA. Matthew gave a presentation of the Youth & Government Movement in California. Matthew then introduced Andrew Marostica, a Ventura High School student who shared some of his experiences as a participant and attendant of the legislative event in Sacramento.

Branch Updates:

Camarillo: They are very busy, getting ready for summer camp and Healthy Kids Day. They have a very big child care program; the School District announced that they will manage their sites themselves. Camarillo will now look for alternative sites to run independent and viable child care sites. The School District will not offer scholarships as we do. The decision was probably economically driven.

Montecito: They hit their annual campaign goal. Their board approved the conceptual drawing for the new development last night and it will be submitted to the County. Joan described next steps of the project. Currently they have 10,000 sqft the new campus will have 30,000 sqft.

YFS: **My Home** in Artisan Court will open in 2 weeks. YFS will operate 15 units for transitional age youth in collaboration with the Housing Authority.

The Isla Vista Teen Center is housed in an older portable. UCSB will give us a used portable that is in much better condition.

Noah's Anchorage received CDBG grant money, which will go towards installing new windows, new siding and some inside renovations.

The *My Home* Open House is on April 7 and *Reaching for Stars* will be held on May 25.

Ventura: They went \$5,000 over their annual campaign goal. Some of the funds are restricted for Operation Splash and soccer. Membership is growing, the facility is very busy. A space utilization task force is looking into improving/changing the facility.

Santa Barbara: They hit their annual campaign goal. Membership has increased. In 3 months the loan from the capital campaign will be paid off, which frees up a lot of money.

SCG: They celebrated the conclusion of a successful capital campaign, which took 3 years amidst an economic crisis. Their Father/Daughter Dance was attended by 400 fathers and daughters.

Lompoc: Dan thanked the board for their discussion and input at the last board meeting's executive session. They just held their first meeting with FourSquare,

hosted by the Strategic Planning Committee, to help assess how Lompoc can better address the needs of the community. The Mayor, city administrators, and hospital administrators were also in attendance and helped develop the market study questions.

The architect started some conceptual work.

Joan, Sal and Dan met with the staff of the aquatic center. They have an interest in us playing a role. This will be reviewed by a special task force.

Lompoc is still campaigning and they believe that they will hit their goal.

COMMITTEE REPORTS

Financial Development:

Darren Caesar congratulated everybody on the annual campaign for youth and families and a job well done. This year's goal was \$814,000. We are at 77.3%, which is a big jump from last year. We enlisted 94% of planned campaigners, last year it was only 79%. If you have more people involved you get more money. Why don't we set our goal at \$1Million?

Finance Committee:

February Financials: Jim Armstrong reported that we budgeted to be at a negative \$132,937 association wide and our actual is positive at \$40,331.

Physical memberships YTD are better than budget by \$182,897. Child care fees YTD are at a negative \$44,195, due to government issues. All in all he is pleased with the revenue side of the budget. Expenses are very tight; we are now 8 months into it.

On a branch by branch level there are 2 branches that are of concern. Lompoc all on the revenue side and Stuart C Gildred which is a timing issue due to the campaign.

February Memberships: The usual trend is like a hockey stick. We did not experience one during the recession. Even though we didn't have one this year either, we have retained members throughout the year. We are catching up from the recession. On a branch by branch level; all branches are ahead, except Stuart C Gildred and Lompoc who are flat.

Full Pay & Scholarship Unit Counts: As of February we have 9,054 full pay membership units, 1,485 scholarship (partial pay) units and 684 3rd party pay units, i.e. Silver Sneakers, Armed Forces, etc.

Scholarships YTD: Year to date we gave out \$869,667 in scholarships. Last year we gave out \$940,956. All monies we are raising in our annual campaign are going towards scholarships, mostly towards childcare and memberships.

Statement of Financial Position: We have \$610,133 cash in the bank. Total assets have increased. Current ratio went up from 63.92% in 6/30/10 to 78.96% on 2/28/11. We continue to pay down debt. Accounts Receivable decreased.

Endowment Distribution: Jim presented the current year calculation for a proposed endowment distribution, according with our endowment policy. The maximum available amount for distribution is 5% for a 12 quarter average MV of total assets \$1,848,312. If approved, \$73,912 will be transferred to our operating income. We do this calculation annually and let the branches decide if they want to take the distribution. Channel Islands Association Office is proposing to take a distribution this year. We have not taken one in two years because of losses in our portfolio.

Motion by George Armstrong/seconded by George Leis/carried that the Association Board of Directors approve the endowment distribution for April 2011.

Risk Management & Planning Committee:

Sal gave an update on the SCG capital campaign. We are over our campaign goal and are ready to move forward. Construction costs decreased due to the economy. We started with 9 construction companies, went through a prequalification process and narrowed it down to 4 bidders. The committee met on Tuesday. Robert Coles, Mark Coffin and George Heesen attended for the association. All bids were presented and reviewed blind by the committee to focus on the strength of the bid. All four bidders came in substantially less than anticipated. The budgeted amount was \$2.5M and the bids came in at between \$1.5 and \$1.7 M. We will now be able to will finish negotiations of the contract and look at what we took out and put it back in, due to the lower bid amount. We will also go back to the last two donors. We will ask one if he would consider re-shaping his donation towards endowment or capital campaign. The second donor is a foundation and we will give them the option of taking some of their money back.

Jeff Speich explained that the Governance Committee just went through the process of reviewing (potential) conflict of interests in accordance with the process that was just adopted by the association board. Frank Schipper Construction Company was one of the bidders. Their VP of Business Development is one of our board members and it was determined that there was a conflict of interest. Best practices were applied and the process was approached in an extreme professional way. Therefore all bids were presented and reviewed blind by the committee. The lowest bid was selected and that is Frank Schipper Construction Company.

Robert Coles and Mark Coffin, a Montecito Family YMCA board member, will assist with the contract negotiations.

Brian gave kudos to Robert Coles for his good work and being very diligent.

The Stuart C. Gildred Board of Managers voted to accept Frank Schipper Construction Company. The cost of the contract is \$1,535,160, less bonding, which is within previously approved budget.

Motion by Jeff Speich/seconded by George Leis/carried to approve contractor and contract terms as listed in the action item proposal, which will be forwarded to staff to begin contract negotiations. The task of

reviewing the finalized contract prior to execution will be assigned to the Risk Management & Planning Committee. Norm Nebroski abstained.

Executive Committee:

Executive compensation in all sectors is drawing media attention and scrutiny from the government. With these two facts in mind, Y-USA engaged the compensation consulting firm of Sullivan Cotter and Associates in order to bring independent, expert advice on this critical topic. The recommendations that resulted from that engagement were sent to each association CEO and CVO for review. A key recommendation is the establishment of an Executive Compensation Committee as a standing committee of the board.

Motion by Darren Caesar/seconded by Sandy Allan/carried to approve the establishment of the Channel Islands YMCA Executive Compensation Committee.

Investment Committee:

Mark Fingerlin explained The Channel Islands portfolio. Our endowment portfolio in the past 12 months increased by 17.4%, the Emile Lane portfolio by 15.7%. Both exceeded the S&P 500 which increased by 13.5%.

Governance Committee:

Jeff Speich explained that AB 1233 states that committees exercising the authority of the board may not include persons who are not directors, but, that the board may create other committees that do not exercise authority of the board and include persons who are not directors. This directly affected our Investment Committee. Therefore we restructured the committee as follows: The Investment Committee will formally consist of 2 or more board members (directors). Non directors previously included as Investment Committee members will become advisory members with no voting authority. Initially we had only one board member on the committee, now we have three.

The *Advisory Board Structure* agenda item will be tabled due to time constraints.

There being no further business the meeting was adjourned.