



Minutes from the "Save the NCF YMCA" Meeting, December 21, 2016, 12:00 PM

Summary: Nearly 120 members attended an approximately two-hour meeting in the YMCA basketball gym in order to seek answers that will be of assistance in developing an action plan to raise funds to save the YMCA from closing on December 30, 2016. CEO John Bonacci, the executive team of the YMCA Board, and other Board members were also in attendance.

Mr. Bonacci and members of the Board's executive leadership explained the history of the YMCA's bankruptcy, their role in decreasing the YMCA's debt, and the current status of the mandate to close on December 30 if the \$1,200,000 is not raised. The \$1,200,000 to "save" the YMCA will enable the following:

- The **\$1,000,000** raised will assist in the following:
 - Pay off the mortgage on the building, meaning the YMCA will purchase the building and move forward with a clean slate with ***no more mortgage payments***.
 - Settle the \$3,600,000 in debt that is currently on the YMCA's books.
- The **\$200,000** raised will achieve the following:
 - Pay off the YMCA's entire accounts payable, including some debts that are more than four years old.

An additional **\$300,000** is required for sorely needed building repairs, including roof repair, re-marcing the pool, and installing a new basketball court floor.

The status of fund-raising at the time of the meeting was \$600,000 from an anonymous donor, contingent upon matching; \$40,000 in pledges prior to the announcement of the closure; and \$40,000 more in pledges after the announcement. [NOTE: By the afternoon, an additional \$22,000 in pledges had been received, totaling to **\$712,000 total towards the \$1,200,000 goal.**]

John Bonacci and Board members fielded many questions from the members, who were curious about what has been done to prevent this current situation, what can be done today to avoid the closure of the facility, and how finance management and facility operations might change moving forward. Many members offered suggestions of possible donors, which fed into the final portion of the meeting that focused on an action plan for the next nine days.

By the close of the meeting, members agreed that all must maintain the sense of urgency about the YMCA's current status. The two most helpful areas of focus towards raising the needed funds are 1.) get the word out to the community through local and social media and 2.) reach out to as many individuals and companies possible in the next week. In order for all to have a consistent message to potential donors, John Bonacci agreed to write a list of talking points that everyone will use. John Bonacci also agreed to write a public service announcement to be released to local news, radio, and print media, as well as through social media outlets. A request for a pledge will be added to the YMCA 34th Road marquee.

The meeting closed with Board members expressing a strong desire for the YMCA to remain open. Angela Lindner reminded all that negative postings that accuse, blame, look to the past, etc. will harm all the efforts to raise funds towards the December 30 deadline. All members are encouraged to remain hopeful in action and words and to discourage such negative actions in others. Some members volunteered to take on specific roles to communicate the sense of urgency, to raise funds, etc.; however, more help is needed.

Angela Lindner volunteered to send a group email out as one means of keeping everyone in the meeting updated. Members were encouraged to contact her with any feedback, ideas, and reports of progress.



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1. Introduction – Angela Lindner

- a. Welcome members and the public – Lindner welcomed and thanked all for participating. Karlton Poole, the longest-serving staff member at the YMCA, reminded all of the foundational values of the YMCA organization and offered the opening prayer.
- b. Purpose of this meeting – Lindner outlined the meeting's purpose: to clear a common path towards a hopeful plan that will guide us in raising funds needed before December 30.
- c. Recognition of CEO John Bonacci and Board members in attendance – Lindner introduced John Bonacci, who then introduced the Board members present. Executive committee Board members sitting on the panel with John Bonacci were Board president, Robert Walpole; Vice President, Michele Martin; and Treasurer, Pam Burns. Two other Board members were in the audience.
- d. Review of the agenda – see the attached agenda.
- e. Meeting guidelines – see the attached agenda.

2. Presentation by CEO – John Bonacci

- a. How did the NCF YMCA get here?
- b. What is the status of fund-raising and other possible resources to save the NCF YMCA?

John Bonacci provided the history of his leadership and participation in the YMCA, starting with his being called in June 2012 in request for his leadership after the YMCA filed for Chapter 11 Bankruptcy in 2011. He took on the CEO role in July 2012, inheriting an organization that was \$9,000,000 in debt. Since that time, he and the Board have worked towards decreasing the debt to its current level of \$3,600,000, for which they have negotiated a \$1,000,000 payoff.

Today, membership is at a nine-year high, and the facility is operating at 92% financial efficiency. In 2011, the facility was operating at 56% financial efficiency, well below typically expected levels of 75-80% for nonprofit organizations. Bonacci recognized that the facility is under-staffed, and he recognized the dedication of YMCA staff and their strong desire to be part of this organization. He reminded everyone of the YMCA's 501c3 status, and we must honor this status by, for example, giving approximately \$200,000 a year in scholarships and subsidies for at-risk children and other community members. Future support is needed to continue to provide scholarships for families in need.

The current financial crisis that the YMCA is facing involves two components: 1.) \$1,000,000 as a payoff to Wells Fargo Bank to eliminate the debt (NOTE: this will also pay for the facility leaving no mortgage payments) and 2.) \$200,000 to pay for existing



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debt to cover bills unpaid over the past years. Bonacci foresees a need for an additional \$300,000 to cover cost of needed repairs for the pool, roof, basketball gym, etc.

If we are able to get through this crisis, much promise awaits in new programs throughout the community. Conversations with the City of Gainesville, churches, charter schools, the VA hospital are promising.

Status of fund-raising at the time of the meeting was the following:

- *Before the announcement of closing:*
 - \$40,000 in pledges
- *After the announcement of closing:*
 - \$600,000 from an anonymous donor, contingent on matching
 - \$40,000 in pledges

3. Open floor to member questions and ideas – Angela Lindner (moderator)

Q: Is the NCF YMCA still a part of United Way?

R: NCF YMCA is now only included in the UF Charitable Campaign.

Q: Why wasn't the debt covered in the 2011 restructuring?

R: This was not the arrangement made under the previous leadership and attorney. The \$3.6M debt to Wells Fargo includes building and land, with \$1.8M secured and \$1.8M unsecured. Without excess cash available beforehand, the unsecured portion will not have claim until the bankruptcy is discharged in July 2018. The secured portion is associated with Wells Fargo and includes mortgage terms.

Q: What happened to the Archer property owned by the YMCA?

R: That was "short-sold" back in February 2014.

Q: Why has there been no media coverage?

R: CBS4, TV20, all major channels have covered this current status of the YMCA. The Gainesville Sun has featured two stories in the past 2 weeks. Media was not asked to attend this meeting because meeting conversations may not be in the best interest to release.

Q: What is the relationship of the NCF YMCA to the national organization? Is it independent?

R: The national YMCA provides no money to the NCF YMCA. NCF YMCA covers six counties.

Q: Have you sought advice from the more successful YMCAs, such as in Orlando and Jacksonville or could the Orlando YMCA take over the NCF YMCA?



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R: These markets are much different than the Gainesville market in terms of business partners, availability of other gyms and the presence of the UAA. If the Orlando YMCA took over, it would build new in two years once the bankruptcy period is completed (July 2018) because it does not want to take on the bankruptcy.

Q: Why was the announcement made so late?

R: Up until the announcement of eminent closing was released, several arrangements were attempted to save the YMCA. First, one involving an area church, but that arrangement fell through because the terms were vague. Several large donors were approached after that time, some quite promising, but these donations did not come to fruition. The announcement was released when YMCA leadership had no other options.

Q: Have you tried to renegotiate with Wells Fargo?

R: Yes, and the negotiated payoff was the outcome.

Q: Can the YMCA raise membership fees, even by \$1/month?

R: There are possibilities in this regard. Family rates are the best deal in the community. In addition, family services are conveniently co-located in the YMCA facility.

Q: What has been the communication strategy?

R: We have included two stories in the Gainesville Sun already. Local TV stations have also covered the current status.

Q: Is the City of Gainesville interested in partnering with the YMCA?

R: Scott Chase met with Mayor Poe on Tuesday. While the City is unable to meet the immediate need of finances in the next 9 days, the Mayor expressed interest in exploring possible collaborations in the future.

Q: After December 30 and no funds to provide the Board confidence in moving forward, will the YMCA be open for purchase?

R: The case will move to bankruptcy court and be taken on by a U.S. trustee. Eventually, it will be open for purchase.

Q: Can we ask Wells Fargo for an extension?

R: There is no need to do so. The December 30 deadline was imposed by the YMCA Board because of the inability for the YMCA to pay its bills and move out of debt.

Q: Can the Board members help with the debt by contributions, loans, etc.?

R: Each Board member has an annual "give or get" expectation of about \$3,000. [The average top 10 donations in 2015 was \$10,000.] Most of the Board members agreed to assume their role after the debt was in place, knowing their task was to help the YMCA move out of debt through their respective areas of expertise. Board members donate their time. They raise funds from the community, which has helped the YMCA in the past to break even. However, a desire to give to the YMCA is waning because of other desired



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targets of funding. Currently, \$25,000 from a company is a good gift. Publix is one of the remaining corporate donors in the area.

Q: What can members do to help?

R: Reach out to anyone with means.

Q: Do you have a list of companies that have been contacted?

R: No companies have been contacted in the recent months; however, direct contact has been made with individuals that may or may not be business owners or executives.

Q: Why was December 30 settled on as the deadline?

R: Because we will enter into a new tax year afterwards and must be audited. Also, if the YMCA cannot pay its bills to GRU, insurance, local businesses, it ends up hurting the community.

Q: Have faith-based organizations been contacted?

R: Most churches have been unwilling to give money if they know that the YMCA is not viable. However, if anyone's church might be willing to assistance, please have them connect with John Bonacci.

Q: Are the IRS statements posted on the web site? We will need this information if we approach large potential donors.

R: The last official audit was in 2014, as the YMCA has not been able to cover the cost of the audit since then. The YMCA will post the unaudited 990 forms on the web site by the end of the day.

Q: Can we add a message on the YMCA 34th Road marquee to request pledges?

R: Yes, this can be done.

Q: How can you provide others and us assurance that their money will not be wasted, resulting in the YMCA in this situation in the future?

R: First of all, there is strong commitment that the YMCA will not go into debt again if we are able to moving out of this current emergency. Moving forward, you will expect to see annual campaigns and other fund-raising events to pull in the membership and surrounding community. [NOTE: While not mentioned during the meeting, the \$1M to Wells Fargo will include purchase of the building. Moving forward, the YMCA will not longer have a mortgage payment, thus allowing distribution of those funds to other needed areas.] Furthermore, no pledged-funds will be accepted until the \$1.2M goal is reached.

Q: As we approach potential donors, could John Bonacci provide us a list of talking points to keep the message consistent? Also, can you add these to the YMCA web site?

R: Yes.



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Q: Can John Bonacci write up a Public Service Announcement that members can provide local media?

R: Yes.

Q: Can we return to the \$600,000 donor and ask if s/he is willing to give more?

R: This has not been done. At this time, it is unclear whether the matching contingency is all or nothing. This question will be clarified.

4. How do we move forward? – Angela Lindner (moderator)

All agreed that we must create and maintain a sense of urgency about this situation. The action plan for the YMCA and all participants is the following:

1. If any member has not pledged and is in a position to, please be encouraged to do so.
2. Spread the word:
 - a. Encourage other members, local or former community members with means, companies, and others to pledge.
 - i. Participants identified potential donors:
 1. Tim Tebow
 2. Steve Spurrier
 3. Ryan Lochte
 4. Exactech
 5. Florida Bar Association
 6. Vic Campbell (Assistant Soccer Coach at UF)
 7. Local physicians
 8. Santa Fe College
 9. Car dealerships (e.g., Parks Ford and Honda)
 10. Mickey Singer
 11. Walmart
 12. Dominos Pizza
 13. John Rivers (Four Rivers Steakhouse)
 14. McGriff-Williams Insurance
 - b. Approach local media—TV stations, radio, newspapers—and request they air the PSA that John Bonacci will draft. We need volunteers for this!
 - c. Have a social media blitz. Leslie Galloway will take the lead on this.



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- i. Here is a link to our FB group -
<https://www.facebook.com/groups/NCFYMCA/>
 - ii. <https://www.facebook.com/groups/NCFYMCA/>
 - iii. Twitter account - <https://twitter.com/NCFYMCAAdvocate>
 1. And here are some suggested hashtags: #SaveTheY
#YMCA #NCFYMCA #GainesvilleFl #Community
#Gators #donate #pledge #Youth
3. Members were also encouraged to give of their talent if they are in a position to assist NCF YMCA before December 30 and after.

5. Closing: Next Steps – Angela Lindner

1. John Bonacci will draft the PSA and talking points ASAP.
2. The YMCA will post the tax forms on its web sites. It will also include the talking points on its web site in order for members to provide the web site link to potential donors.
3. Angela Lindner will pull together an email list serve as a means of central communication to this group. She will keep all informed of pledges to date and actions taken by members. She requested that everyone hit "reply all" when posting progress and reminded everyone of the damage that can be caused in this effort if blaming, accusing postings are released through social media.

The meeting closed at approximately 2:30PM.