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Subject: Y Leadership Deficit

YMCA OF SAN DIEGO COUNTY-WHAT'S REALLY GOING ON

## HISTORY/BACKGROUND

In 1981 the virtually bankrupt YMCA of San Diego County recruited a new CEO as a last ditch effort before having to shut its door. Under a new lead who focused on recruiting a strong leadership team and implementing a strategic plan the results were a nearly bankrupt \$5 million in annual revenues YMCA association grew into the 2nd largest YMCA in the nation with \$150 million in annual revenues, zero debt and arguably the strongest YMCA association nation wide until Baron Doherty began his career as the CEO 2010.

It is generally know throughout the YMCA that after 2 failed search process attempts for a new CEO Baron was the 3rd choice coming from the San Antonio Y, a small, weak, under \$20 million in annual revenues association the size of which is equivalent in size to just 1 San Diego Y Branches of the 14+ branches comprising the entire San Diego YMCA. His experience was very narrow and limited. He is a good example of the "Peter Principle" in being promoted to his level of incompetence.

The model that saved the San Diego Y and grew it to such strength was a focus on staff empowerment. Hire the best & brightest, entrust them to make the decisions they feel are best for their communities because they are the closest to them, and hold them accountable for results. It is a recipe that unarguably worked when looking at not only financial and fund raising growth but the number of lives that were able to be impacted through life changing programs under such a sound leadership model. The CEO set the Vision and the pace for fundraising, growth & innovative program development and empowered the staff. The results spoke for them-self at every level.

Baron changed all of this, almost overnight feeling a need to make all decisions big and small like eliminating youth membership & even dictating what music he wanted played over the phone when the person calling was placed on hold. He is an ineffective micro manager and acts as though he is omnipotent and knows all the answers but in reality he doesn't know, what he doesn't know. He rules by fear and intimidation. Don't let his charming southern accent fool you. It seems like a sad joke the way he cannot stay focused in meetings with many of us concluding that he has an Attention Deficit Disorder so we avoid being with him as much as possible. His autocratic management style is not only demotivating for top performing intelligent staff but also a recipe for disaster in a large, complex organization like this YMCA. All the recent attention on elimination of Youth Memberships is just a symptom of the real problem. Baron is an ineffective, dysfunctional leader. He was a BAD HIRE which is playing out in a very sad way for the YMCA.

## CEO LEADERSHIP:

Baron's drastically smaller and more simplistic association experience was evident and exhibited itself right from the start through his inability to retain key long term Board Members with high community influence and fundraising capabilities, high staff turnover of top leadership staff, and a focus on operational changes (elimination of youth memberships being just one) without any research being done that presented justification for either a financial or mission impact

growth. He makes almost all decisions, micro-manages, does not know the importance of process or vetting ideas or decision prior to implementation. This style, in part, is what created his youth membership debacle.

Baron's leadership style has developed him a reputation of being autocratic, arrogant, narcissistic, dishonest and egotistical. Yes, dishonest! He will say what he thinks you want to hear and do something completely different. As a result he has little credibility and has lost the respect of most staff. The culture amongst staff that has been developed under Baron is one of fear, as his actions have demonstrated that if you are anything other than a "yes man" you are not welcome in HIS Y. This resulted in the terminations or forced resignations of multiple top performing leadership staff who had built their individual Y branches into key cornerstones in their respective communities, effecting the lives of thousands of people through Y mission work.

It is a shame how many loyal, 20+ year employees were summarily terminated because they challenged or questioned his dictates in trying to advocate for their communities and the YMCA. Fired employees and management staff were bought off with generous severance packages to avoid obvious wrongful termination suites. We are working in a hostile work environment but are afraid to speak up in fear of becoming another casualty of his wanton leadership. Key 20 year + dedicated employees who he forced out with concocted reasons include:

Ray Griffin former Controller who is now the CFO of the YMCA of Greater Long Beach

Calista Davis former Vice President of Human Resources

Cindy Phallen former executive director of the Rancho YMCA who is now an author on non profit operations & principal of her own successful non profit consulting firm

Alfredo Velasco former executive director of the Palomar YMCA who is now President & CEO of the YMCA of Greater Long Beach

Matthew Henry former executive director of the Borderview YMCA now President & CEO Pomona Valley YMCA

Leticia Leos former executive director of the Copley YMCA who raised the majority of the funds to build the \$22 million new Copley/Price YMCA and was forced out right before it's opening. She is currently the Executive Director at the Fairfield YMCA with the YMCA of Greater Long Beach.

Soon to be the latest casualty will be Susan Haight, executive director of the ECKE YMCA who he has been badgering for over a year in trying to get her to "resign." His treatment of this long term, effective leader has affected her health both mentally and physically to the degree of having to take a disability leave. Trust us, this will cost the YMCA another \$500,000 or so for him to buy her off her rightful wrongful termination/hostile work environment suit yet to come.

Other staff who were exited should be noted: May Yumul (Calista Davis #2), Serena Souza (Calista Davis replacement), Dick Webster-Vice President Mission Valley YMCA "retired", Carola Cardenas (Executive Director, Palomar YMCA, Jeff Guzzardo-Executive Director Mottino YMCA "retired," Sam Wurtzbacher-Executive Director La Jolla YMCA "retired," Steve Totten-

Corporate Development Director "retired," Debbie McDonald-Executive Director Childcare Resource Services "retired." The list goes on and even includes the his right hand person Jill Tramel who left "voluntarily" for "personal" reasons but we know she could no longer stand his ineffective leadership. Does this type of staff turnover not indicate a serious problem???

The list does not stop here and under Baron's direction the YMCA paid in the aggregate well over \$2 million from YMCA reserves in severance packages to buy off wrongful termination suites. He has no regard for how he spends YMCA money as long as he gets his way. Taking the settlements out of reserves was his way of hiding the pay-offs from the board. It is not understood how the board, as fiduciaries, could turn a blind eye. Why were these staff forced out? Primarily because they did not fit into Baron's "my way or the highway" leadership style. Simply put, they questioned and challenged him. They are bright, independent thinkers. Baron does not know how to deal with disagreement or conflict at any level so he runs and hides as evident by his recent Youth Membership strategy of let's not deal with it and hope it goes away.

## THE BOARD

The YMCA of San Diego Corporate Board of Directors was arguably recognized as the strongest non-profit board in all of San Diego County. It was comprised of dedicated Corporate CEO's and top executives and annually was responsible for fundraising almost \$2 million which went right back into the community to help subsidize Y's in low income underserved communities across the county. Baron from the beginning was not comfortable relating with intelligent high level and experienced professionals which resulted in the loss of many key board members and top contributors. The following are just a few of the board members lost: Steve Conner a past board chair, James Cowley long time chair of the endowment committee, Gary Meads President of his own Marketing & PR company, Cecilia Scott-Stanfel CFO Solar Turbines, past board chairman James Simpson Partner Sunrise Ventures, Scott Free president Lusardi Construction, Murray Hutchison retired Chairman & CEO IT Corp, Bill Hoehn owner Hoehn Motors, Robert Buell past board chair & Sr. VP-General Counsel Senior Resource Group, David Down managing partner KPMG, Melissa Claassen CFO TaylorMade Golf and others. Baron disrespected his board members by not being transparent or honest with them and ignoring their in put and concerns. The departing dedicated board members also represented hundreds of thousands of dollars that was lost to the YMCA. It is, however, a shame that board members left rather than fixing what they recognized to be a problem and bad hire.

## FINANCES

From the start Baron began recklessly spending reserve funds, not to pay for new programs to impact the community and further the mission but for increased spending such as, county wide marketing like as billboard and bus stops to sell the Y as a health club, new fitness equipment for branches, more than doubled the number corporate/Team Head Quarters staff in building his empire on the backs of the branches by more than doubling the funds he took from them & community youth programs in building his ineffective empire. In estimation this is an increase of millions of dollars in overhead staff expenses annually. Baron spends money as regularly as he breathes air. He spends YMCA money recklessly be it international junkets, sponsoring his personal non profit interests or anything else that makes him feel important.

## CEO CHARACTER:

We have all heard Baron's responses from his bunker to all the recent negative publicity but any and all of us in the "inside" know that he gives the public and board inaccurate, partial, filtered financial and statistical information in order to justify himself doing whatever he wants. He is dishonest. He changes the way numbers and dollars are counted so that he cannot be held

accountable and so one year is not comparable to another. Saying he is "transparent" is a JOKE. Bottom line, comparing apples to apples...membership and annual fundraising revenue is down year after year under Baron if you carve out new facilities. Baron constantly inserts himself into the limelight, taking credit for large contributions rather than giving the credit to where it is deserved, branch leadership or leadership who paved the way for him over many years. Do not be fooled... individuals like Buzz Woolley, Robert Price, Robert Copley, Dan McKinney, etc. were long time generous supporters before they ever heard Baron's name. He was not the one who engaged any of them with the Y initially, yet he is the first one to tell the board and staff how HE raised millions of capital dollars from them insulting all our intelligence. Not to mention the rumored conflicts of interests by dictating branch purchases of Precor fitness equipment and moving the association to Daxko software overriding the strong recommendation of staff & IT leadership that due diligence proved the system floored for a large YMCA. Both companies Baron has personal vested interest in and it is unclear what personal kickbacks he is receiving. Baron should know better that this type of unethical behavior does not fly under the radar in an organization this size!

#### WHAT SHOULD YOU DO?

The Ecke YMCA & other branch concerns about eliminating youth memberships and operating the YMCA like health club is a real concern but it is not the root problem. It is a symptom of a much larger problem and has probably diverted focus from the real issue. THE YMCA HAS A LEADERSHIP DEFICIT. BARON WAS A BAD HIRE AND IT NEEDS TO BE CORRECTED.

That can be done in one of two ways:

- 1) Baron takes the high road and resigns for a "new opportunity"
- 2) Baron's contract (which is coming up) is not renewed.

You the Board are responsible for ensuring this great organization that has been around for over 150 years is able to continue it's mission for years to come. You the board is responsible for eliminating the hostile work environment. You the board have the fiduciary responsibility over proper oversight and spending of YMCA funds. You the board have the responsibility of protecting the YMCA legacy and good name. It's about time that you did your own objective internal investigation of your CEO's behaviors and correct the situation before further damage is done rather than reacting to the investigative reporting of the press and media. Do the right thing. Our communities need YOU and staff are screaming for you to help.

The YMCA of San Diego County is dedicated to improving the quality of human life and helping all people realize their fullest potential as children of God through the development of the spirit, mind and body.