

Justin Reuter – Boys and Girls Club Interview Transcript

Ann Phillips: Awesome, to start off just tell us a little bit about yourself and about your organization that you work with.

Justin Reuter: My name is Justin Reuter I'm the CEO for the Boys and Girls Clubs of the Capital Area formerly known as the Albany Boys and Girls Club and the Troy Boys and Girls Club. We merged in 2019, but the Albany Club had been around since 1892 and a Troy Club has been around since 1905, so quite an extensive history. We serve pre-K after school and teens. Right now we're serving about 1,300 kids a day in 22 locations throughout the capital area.

Keenan Loder: Diving more into the merger itself, can you tell us a little bit about the factors that led to the Troy and Albany Boys and Girls Clubs merging?

Justin Reuter: Yeah, I took over as CEO in 2013 for the Albany location and then Patrick Doyle started as CEO for the Troy location the same time as myself. We both went to new executive orientation that Boys and Girls Clubs of America hosts and we really just kind of became close friends. The school district in Albany gave us a large grant where we had to open five locations and hire 50 staff members. One caveat of the grant was we had to serve every kid dinner every single day and, at the time, I knew nothing about food service and Troy had a food service program. So, I called Pat, and I said "hey in two weeks, can you deliver 400 meals a day to my kids?" The former Executive Director before me had written this grant and I kind of had walked into it and I had to figure it in a quick time frame. He said "yes," which further cemented our partnership and we started to write a couple grants together and eventually we just talked about how can we bring these organizations together because it doesn't make sense that we're 15 minutes apart and we're all going after the same donors and competing for grants.

Justin Reuter: So, through that, it kind of morphed into us getting together and talking about it, and then we brought in a couple board members and eventually we developed an integration committee which had board members from both organizations and had meetings over the course of probably eight months and looked at everything from finances the programs to board management or handbooks.

Justin Reuter: Once we finished that process, we made a formal presentation to both our boards and then we had a formal vote on if we wanted to do it or not, so I know that was a long winded answer, but those were kind of like the steps that led to it.

Ann Phillips: Awesome, can you elaborate a little bit more on the merger process itself, like what went in your mind, what went well or was simple about the process or was it more difficult than you thought it was going to be?

Justin Reuter: It was definitely parts that were difficult. The length of time that it took, I mean, it's a long process.

Justin Reuter: You know the first stage is just conversation. Second stage is doing all the research. Third stage is you know deciding if it makes sense, then you have to present on it, and then, after all, that work is done, you have to hire a lawyer and they have to go through the whole process which was very long because there's a lot of different licensing agencies Childcare Council, OCFS, New York State Education Department.

Justin Reuter: You know you have to get approval from all these different governing bodies and then you have to submit all the paperwork to the Department of State, the Attorney General and a lot of these agencies, although they're well established you know you can't really get updates it's like we're sending paperwork in, and then we just have to kind of wait for them to tell us when it's approved and some of them, four months to hear back. I can't remember if it was the Department of State or somebody else so during that time frame you're kind of stuck in a weird situation. You've agreed to merge but you're not really merged, you can't share payroll but you want to integrate the team at the same time, you want to start changing your website and doing all the things because, once you get it back you want to be like ready to go so it's a weird transition phase.

Justin Reuter: Though the hard part I think was once we merged, merging the two different cultures. Albany was very process oriented, we were way bigger in size so maybe that was part of it, where Troy was more of you know laid back a little bit and so it took a while to merge those cultures together.

Justin Reuter: It was a couple years at this point, people come and go, so anybody knew coming in doesn't know any different they don't know Albany/Troy, they just know capital area.

Justin Reuter: I think, over time, that works itself out anyways, but in that beginning phase, you really have to educate your staff because some people are naturally worried about their jobs and I don't know, Troy what are they like houses acne people get very territorial.

Ann Phillips: That makes a lot of sense that's what we've heard from a couple people that that the integration of the teams together is what is difficult about the merger process.

Justin Reuter: With the board, same thing. For us, things worked very well, but that is another thing you need to think about each board has its different styles.

Justin Reuter: The big corporate board where you're going from 11 board members to 30 something, you might not have the voice that you had when it was a smaller group anymore.

Keenan Loder: Going back to the Attorney General approval process, this is something that we're trying to educate not for profits on a little bit because it's hard to get clear answers when all mergers and consolidation are so different. Could you tell us how long that that process

individually took if there was a lot of back and forth with the Attorney General the state Supreme Court, whichever way your organization went about it?

Justin Reuter: I think that part of it was the longest and I want to say it took 6-8 months. I'd have to really look back. One of the things that we could have probably done differently, we worked with the New York State Council of nonprofits. They handle the legal work, but we dissolved the boys and girls club of Albany. We kept the Troy Boys and Girls cCub, because they owned more property and we just did a name change so we were operating under a DBA Troy Boys and Girls Club doing business as Boys and Girls Club for the Capital Area for a little bit.

Justin Reuter: So I think that was a little confusing for people, whereas if we would have maybe just dissolved the two organizations and created a brand new one. I remember looking at paperwork and people were confused because it still said Troy boys and girls club on it.

Justin Reuter: So we listened to what our Councils on us to do, but I don't know if that kind of held up the process a little bit, that was one hiccup. I think a couple months went by before they wrote back to us and asked that something be updated with our bylaws and it was something very minor, but it was it was months. Then the last thing was the person I was handling our case left in New York State Council of nonprofits halfway through the process to another job so somebody else had to pick up the pieces and that transition definitely cost us some time.

Ann Phillips: yeah that sounds like it would be a pain to have somebody a completely new come in halfway in the process and have to figure out everything that's been going on. You mentioned the paperwork, can you describe how that paperwork process was and was it challenging, was it was it pretty straightforward, what are your thoughts on that?

Justin Reuter: I think it would be challenging if you went through it without counsel helping you through each step. A lot of people, I think, try to figure it out and then get counsel just to make sure it's all set, but you know that's why we hired the New York State Council of nonprofits to help us through each step of the process, they even went to board meetings and they were actually part of the integration phase.

Justin Reuter: So I think it could have been difficult it's all about how much money you want to spend, right?

Justin Reuter: This isn't a cheap process, so if you're if you're going to try to do most of it yourself, chances are you're going to have more issues and it'll take longer to do.

Justin Reuter: I don't I don't think any of that paperwork was like extremely hard, a lot of it was finding old documents. We've been around for so long, we had to find deeds to our facilities and old bylaws and all of our name changes along the way. We used to be called the boys club and then we want the boys and girls club, we've changed names so many times over the years and then the Troy Boys and Girls Club owned a campground that was gifted to them, but the

deed had a different name on it. Their name had changed so many times too, so that was kind of like an issue that we needed to figure out as well.

Keenan Loder: Reflecting on the merger process, is there anything that you wish you would have known going in or something that you wish you had planned for a little bit more?

Justin Reuter: The length of time, I think it just was really taxing and dragged on people.

Justin Reuter: The public knew we were doing this we were acting like we're merged, but we still have email addresses that we're Albany and Troy and we had a lot of questions, when is this happening?

Justin Reuter: I think a realistic "here's how long this is actually going to take" would have been helpful because every conversation with a donor and a staff member, I could give a more accurate projection, maybe mapped it out a little bit so that would be one thing.

Justin Reuter: I don't think I really took into account all the things you need to do, and all the costs associated with just changing all your signs, your email address, your business cards, your website, anything that has your old name on is basically garbage at that point.

Justin Reuter: All those things take so much time and a lot of them, you want to be working on before you're even merged, so we were making a dummy website, dummy business cards, dummy email addresses, all those things, so we can go once we get to the paperwork.

Justin Reuter: Other than that, I can't think of one thing that was awful, it was more of just a long drawn out process, which, I think it could have been done quicker overall.

Ann Phillips: That makes sense, you mentioned, so this happened in 2019, the finalized consolidation. How has everything been since the process ended? Any major changes? I know you mentioned just different like management styles between the two organizations.

Justin Reuter: We wanted to serve more kids and help more families that was the reason we did it and we knew if we merged, we would be appealing to higher level donors. lot of donors don't want to just give Albany or Troy. If you get a big corporation, they want to say "I'm giving to the Capital Region," so we knew we would appeal to more donors, we knew we would have access to higher level grants, we knew we could build our infrastructure as far as administration. When you're a small organization, you might not have like a CFO you might have just like a part time bookkeeper or you might only have one RD person as opposed to a couple working on specific things rather than being like a generalist, so we absolutely have crushed it since we merged, I mean we have expanded. We added programs and Watervliet, we have programs in Cohoes, we added housing sites, we added new programs that are just covered by a donor, so I high-cost programs that are like \$150,000 a year, we've had donors say "we're going to cover this for three years."

Justin Reuter: So I think when we merged, we are probably like a \$3 million organization, maybe three to four and we're all the way up to 7 million now.

Justin Reuter: Prior to COVID we were at almost 200 staff members and when we merged probably like 110 or 120.

Justin Reuter: So I know those are a lot of numbers, but our goal was to serve more kids and all those things added up into serving more kids.

Justin Reuter: I definitely would have no hesitation of what we did. When you're going into it you're thinking is this going to work? We're losing our Albany name, we already have people that give to Albany that have a history with Albany and that was a worry of ours, but it was definitely the best move.

Keenan Loder: That's really great to hear. Our last question for you, what advice would you give to nonprofits who are considering a merger or consolidation, but haven't quite decided if that's the right path to take?

Justin Reuter: I think, ours is a little unique where it wasn't like a takeover almost it was two organizations that were doing fairly well and I don't want to say a merger of equals, but it was almost a merger of equals, so it really depends on what the merger is. Is it a takeover? Is it a merger of equals? Somebody who's really struggling and just needs to go under the umbrella of somebody else. But I think, just having a lot of the conversations, to make sure everything is talked about and everything is on the table. I had to have a conversation with Patrick, the other CEO, and we had to decide between the two of us who was going to be the CEO and we're friends, we were friends before this, but that's not an easy conversation to have and there's lots of those conversations as you go down that work chart, so I think all those things need to be talked about. The last thing you want to do is lose a good member of your team, at least not in the beginning, so the message was loud and clear to our staff, we're not losing staff we're actually doing this so you can have upward mobility and we can add additional infrastructure. I really think it all depends on what kind of merger it is.

Justin Reuter: And then educating the public is very key. Actually today, Whitney Young and Equinox announced an affiliation, but it is going to be like a merger. The executive director called me and I were talking about what that message is was going to be to the public, so they can understand it.

Justin Reuter: I think that's very key to work with a media consultant and have draft press releases and some sort of announcements so the public can understand what's happening because for us, we have parents involved, they're going to need to know what programs are still going to be offered or "I don't understand where do I have to go to Troy now."

Justin Reuter: It can't be confusing and you have one shot to get the right messaging across because right before you're merging is the time where you can go out to the donors and say

“here's what we're doing serve more kids can you get behind this?” And you can actually get donors to give money towards the merger to pay for the legal costs.

Justin Reuter: We've had somebody pay for adding an extra person to our HR department. “We've grown so much remerging, would you be interested in covering part of those costs?” So it's a really good opportunity to get a lot of press and do it properly.

Justin Reuter: We gave the Albany Business Review the exclusive on it, which I think was awesome because a lot of our donors read that, a lot of businesses read that on a weekly basis and they saw that and then reached out to us.

Ann Phillips: that's awesome so you so mainly through advertising and is that how you got the word out from the merger?

Justin Reuter: Most of it was free honestly. Spreading a press release about the merger. I mean it really depends what the merger is, but we serve kids, we've been around forever, we framed it in an appropriate way and the news came to us so it really didn't cost us anything.

Justin Reuter: But if you're a for profit organization, it depends on if it's newsworthy.

Ann Phillips: Makes sense. I don't think I have any more questions, Keenan do you have anything else?

Keenan Loder: I'm all set. This is great, we're so glad that the merger worked out for both organizations and you guys are able to do such great work now and into the future.

Justin Reuter: It's just all about economies of scale, even in the nonprofit world.

Justin Reuter: I'll give you one last example. The Lansingburgh Boys and Girls Club is very tiny, and I think they're a half a million dollar organization. Every year, they have to send out a letter or make a phone call to a high level donor to keep the doors open and they've been doing it for years, and when you're so small and you're competing for resources against all these other big people, you're always going to be in a hamster wheel, so the larger you get the better chance you have to kind of survive is what we've found

Justin Reuter: If you have any other questions send me an email I'm happy to get back to you.

Justin Reuter: Good luck with everything.