

## **Minutes**

### **Bicycle Collective Board of Directors**

May 23, 2018

Meldrum Science Center Room 170

**Present:** Andrew Butterfield, Clay Dean-Perry, Will Deutschman, Josh Jones, Dannielle Larkin, Sean Murphy, Heidi Goedhart, Deb Henry, Tim Shea, Clint Watson

**Excused:** Shelley Reynolds, Shawn Teigen

(1) **Approval of minutes.** Mr. Murphy called the meeting to order. The minutes of March 28, 2018 were approved as prepared.

(2) **Chair's report.** Mr. Murphy said the draft financial and audit control policies will be submitted to the board after the auditor has had an opportunity to give advice about them. Mr. Murphy said that we need a contract with our executive director. This has been discussed at the executive committee as well. Mr. Murphy asked for permission to negotiate and execute an employment contract with Mr. Watson. Mr. Shea moved to give the board's approval. Ms. Henry seconded the motion. The motion passed unanimously.

(3) **Executive Director's report.** Mr. Watson said he is working with the shop directors to develop a shop manual. He said that the Millcreek Detention Facility may not renew its contract with the Ogden shop, but he expects that the Farmington Detention Facility will. He reported that the audit contract is in place and the auditor is gathering data. Mr. Watson asked that, if board members have questions for the auditor, they send the questions to him. He expects that the audit will take about 8 weeks.

Mr. Watson said that all of the permits for bike prom have been issued except the permit from UDOT. He asked that all board members serve as ride marshals. Ms. Goedhart will ask Contender to provide SAG support.

Mr. Watson said that approximately \$14,250 in expenses from 2017 that would have qualified for payment from the capital campaign account have been charged to the operation budgets. He said the board should decide whether to reimburse the operation accounts from the capital campaign account. There was consensus that reimbursement is warranted, but there appears to be no urgency. Mr. Watson will again propose the action when capital campaign funds are sufficient and not needed elsewhere.

Mr. Watson reported that the first quarter budget reports show that overall the Bicycle Collective was at 99% of budgeted income and 124% of budgeted expenses.

(4) **Strategic planning—Capital campaign fund goal.** Mr. Watson said that the Katherine W. & Ezekiel R. Dumke Jr Foundation has pledged \$25,000 for architectural fees. If the money is used constructively, the foundation has invited us to

apply for a similar amount later this year. The lawyer for Jamie Cowen's estate has confirmed that Mr. Cowen has willed money to the Bicycle Collective. The amount and transfer date are not yet known.

Mr. Watson has provided the RDA with all of the information and documents that it has requested. At one point he paid RDA a \$2,000 fee, but RDA did not have a procedure for issuing a receipt. He received a copy of the check instead. Mr. Watson summarized the proposed contract with Atlas that would be billed in five phases:

- 15% Schematic Development - September 2018 (\$26,250)
- 15% Design Development - December 2018 (\$26,250)
- 40% Construction Documentation - May 2019 (\$70,000)
- 10% Bidding and Permitting - June 2019 (\$17,500)
- 20% Construction Period Services - September 2019 through June 2020 (\$35,000)

Mr. Watson said that if the project fails for any reason, the Bicycle Collective would be responsible to Atlas for the active billing phase plus 10% of the projected full cost, or about \$17,500. Mr. Watson said he estimates architectural and engineering fees, site exploration fees, and other early costs at less than \$150,000 between now and next summer:

- \$53,000 for schematic and design development by Atlas;
- \$8,750 for the licensing deposit with Atlas, which will be credited to the project
- cost;
- \$3,600 to \$5,000 for a geotechnical report; and
- \$3,000 per month for capital campaign consulting services from Kim Paulding.

Mr. Murphy said that the RDA wants more information about our qualification for New Market Tax Credits, but the application period does not open until November. The RDA does not appear to understand the New Market Tax Credit program.

Mr. Shea said that the process has been transparent after development of the Gale St. property was first proposed last summer, but it is not the process he had anticipated. In earlier discussions, it was expected that the RDA would make its decision in March or April, at which point the board would decide whether to move forward. Now it appears that the RDA is not going to make a decision any time soon. It is difficult to spend money for architectural services and other preliminary costs when we don't know whether RDA will approve the project, but we need to responsibly approve expenditures as the need arises.

Ms. Henry said she also has concerns about paying these preliminary expenses before we know whether the project has been approved.

Mr. Murphy said it would be unprecedented for the RDA not to approve the project after having narrowed the field to only our proposal. We still hope the RDA will write down the cost of the land to zero, but that is unknown. Mr. Murphy said that the board's approval of these preliminary costs should help convince the RDA and donors of the board's commitment. Most considerately, no one used the phrase "skin in the game."

Mr. Watson said that the donation from the Dumke foundation could be used only for schematic and design development. Mr. Watson has secured donations or pledges of about \$150,000, putting us in a relatively comfortable financial position to move forward. Mr. Jones asked whether we have enough cash to pay for these commitments if the Dumke pledge is not honored. Mr. Watson said there is some cash in the bank, but we would be stretched thin if we do not receive the Dumke money.

Mr. Shea said it appears that the best way forward is to approve the preliminary expenses. Mr. Shea moved that the board approve the contract with Atlas and:

- \$8,750 for the deposit with Atlas;
- \$53,500 for the first two architectural phases;
- \$3,600 for a geotechnical report; and
- \$5,000 for a survey if needed.

Mr. Deutschman seconded the motion. The motion passed with Ms. Henry opposed.

Mr. Watson will propose to Atlas a contract amendment to the effect: if the geotechnical report reveals factors that prohibit building on the site, the contract can be canceled without obligation.

(5) **Shop elections to the Board.** Mr. Shea said that the bylaws do not need to be filed with the state, so we can proceed with shop representative elections as soon as they can be organized. The executive committee recommended and the board approved voting by means of a SurveyMonkey poll and self-nomination. Mr. Walker directed Mr. Shea to the lists of employees and core volunteers maintained by each of the shops. Mr. Deutschman offered to help organize the elections.

(6) **Recruiting board members.** Mr. Murphy observed that the board, in addition to the vacant shop director positions, has four vacant discretionary positions. In addition to the one current vacancy among the 12 "core" directors, Mr. Dean Perry and Ms. Henry indicated that they may resign from the board. Mr. Watson recommended that the board include a representative from Provo in addition to the shop representative. Several directors indicated the need for more diverse representation from the populations we serve. Mr. Murphy encouraged the board to think of possible directors to recruit.

(7) **Strategic planning—Franchise goal.** Mr. Dean Perry said that he had met with shop directors to discuss possible policy directions. The term “franchise” is not favored, but shop directors favor more uniformity in and central responsibility for fund raising and grant writing, accounting, programming, IT support, PR and marketing, HR policies and procedures, and other matters.

Mr. Dean Perry noted especially that the Bicycle Collective has no anti-harassment training, has no background check as part of hiring, has no contract with several employees, and has poor record keeping practices.

There was consensus that the Bicycle Collective needs a shop manual of operations, policies, and procedures, which Mr. Watson said is being developed.

The shop directors prefer local responsibility for local program development beyond the core programs, local events, responsibility for the procedures and data that feed into central administration, and a budget allocation over which they have control.

A start-up location should initially be “associated” with the Bicycle Collective while organizers build community relationships and recruit volunteers. During this time the Bicycle Collective would provide guidance but not money. The board should decide whether and when to include the start-up more formally in the organization. The startup organizers might propose applicants as shop director, but the hiring decision should be left to the executive director. At that point, the shop director’s salary would be the Bicycle Collective’s responsibility, but the new location would have to rely on locally generated revenue for its other expenses.

Mr. Dean Perry reported the shop directors’ concern that the capital campaign will consume too much time and money at the expense of local shop needs.

The board discussed these and other related issues, including how to balance uniformity and centralization with local discretion. There was consensus that a periodic newsletter about the board’s work to employees and volunteers would be helpful. Ms. Henry volunteered to draft a newsletter for Mr. Murphy to review.

(8) **Adjourn.** The meeting adjourned at 9:00. The next meeting is July 25, 2018.