

GEARS BOARD MEETING MINUTES

DATE AND TIME: MONDAY, JUNE 24, 2013, 6:00-8:00 P.M.

PLACE: KEYSTONE CAFÉ, 5TH AND LAWRENCE

Attendance

Board Members: Paula Erickson, Pres; Julie Barnas, Vice-President; Emma Newman, Sec'y; Gary Cook, Treasurer; Reed Dunbar, Allie Camp and Marina Hajek, Dirs at Large.

Guests: Mike Cantrell Admin., Ray Hull, Richard Hughes.

Meeting called to order at 6:05PM.

GEARs Education Presentation – Ray Hull

- What GEARs Education Does
 - Support bicycle education classes
 - Pay Paul to teach classes and then GEARs Education receives money back from participants' registration fees. GEARs Education also buys the materials and supplies. GEARs Education provides the up front costs and it ends up pretty close to breaking even financially.
 - Open to the public, three-hour lecture session followed by four-hour practicum.
 - Mini grant program
 - Profits from the bRamble are used to support a mini-grant funding program. Need to be a 501c3 organization (government organizations, schools, non-profits, etc.) in order to receive mini-grant funding.
 - Fund recipients are required to provide midterm reports.
 - Last year received seven applications. \$2000 for Safe Routes to Schools and then the remaining applicants received \$500 blocks of funding.
 - Grants are announced in October and applications are due by January 31st. Awards announced by March 15th.
 - Board members reviewed the proposals and ranked each application based on different priority rankings.
 - Ray Hull provided the Board with a Mini-Grant Application form.
- Discussion
 - Reed expressed expectations that the GEARs Board should see the list of applicants during the process. Ray agreed and suggested a Board member should participate in the mini-grant process.
 - Accounting is available for Board to view. Tim Vignos is the Treasurer of the GEARs Education Board.
 - There are three meetings per year. Meeting in May, meeting post-bRamble to figure out proceeds and amount that will be forwarded onto the GEARs club, and then final meeting to review the grants and allocate funds.
 - Paula suggests that GEARs Education provides updates during committee updates in the GEARs Board meetings.
 - Gary said that when he became Treasurer, there was no record in the reports about GEARs Education. Ray says that the GEARs Board Treasurer should present GEARs Education finance reports during the Board meetings.

- History of GEARs Education – Richard Hughes
 - Presentation
 - In 2009, the Board discussed the possibility of becoming a 501c(3) due to income tax liability and prospective grants. Spoke with three different law firms and they unanimously agreed that there was a need for a 501c(3).
 - The original GEARs club was set up as a 501c(7) in which people pay dues that provide for the operation of what we do in the club (meetings, general meetings, rides, etc.). Member benefit from services in return for dues.
 - Process of becoming a non-profit corporation
 - File articles of incorporation with the Oregon Secretary of State.
 - Request tax-exempt status through the IRS. IRS determines tax status.
 - Reed asked a question about the 501c(4) category. Richard said that he believes it would be a good fit. However, it takes time, energy, and money to change.
 - There was discussion of only being only one category of non-profit in previous years.
 - 501c(7) was established in 1991. 501c(3) was needed to operate annual the bRamble according to legal advice.
 - Cascade Bicycle Club has a 501c(3) and a 501c(4) that are separate (tax deductions for one, not for the social club side).
 - GEARs was charged for advice from lawyers. Legal fees for 501c(3) creation process consisted of \$2,400 for legal work with caveat of more hourly costs if there was need for IRS letters and legal fees, which ended up being \$800-\$1000.
 - 501c(7) is limited to 35% of money outside of the membership. We made \$6,000-\$8,000 each year during the past 2-3 years off of the bRamble.

Gary Cook's Requested Changes Presentation

- Presentation – Gary Cook
 - Gary was on the Board at the time of the GEARs Education addition.
 - The original intent was for the directors of the second 501c(3) board to be members from the GEARs Board. Gary expected this to continue all along, but currently the overlap between boards does not exist.
 - The term of service for both boards was the same. Now there are two boards.
 - The main income source for GEARs is the bRamble. The 501c(3) can only contribute to charitable organizations (GEARs Board is not eligible to receive funds).
 - Education and safety is one of the points in the GEARs Board mission statement.
 - Gary does not support cash source being used solely for education purposes.
 - Everything that GEARs Education has done, GEARs Board did for the previous eleven years (i.e. bRamble, education classes).
 - Gary presented the following questions Board members to ask themselves as a Board:
 - do we want our income to be spent solely on education and safety?

- Should the GEARs Education Board be completely separate from this Board or not?
 - What should the terms of service on each board be?
 - Gary said the GEARs Board needs to appoint board members for GEARs Education at the same time as GEARs Board and have overlap in representation.
 - Gary presented the following options:
 - different organizational structure
 - same people serve on both boards
 - or appoint members of the GEARs Education Board every year
 - GEARs cannot become politically active under 501c(3) status. Could keep 501c(3) for large charitable donations, but move the bRamble income back to the GEARs Board.
 - GEARs Board has been losing money (\$1,177 since the beginning of the year).
- Richard says that there was no intent or requirement to have the same people sit on both boards. Richard says they were advised to have separate people to spread out the work.
- Emma asked about decision to pay administrator out of GEARs instead of GEARs Education. Richard explained that there was lack of work getting done and the website and newsletter are more to do with the club. Richard and Ray say that GEARs Education pays the contract directly (\$200/month goes to the administrative position from GEARs Education and \$400/month from GEARs club).
- bRamble was switched to GEARs Education due to avoiding taxation on the income that the club receives. Richard says that under 501c(7) you are taxed on gross receipt of funds. There would be a much more complex accounting system if the club had to pay taxes.
- Paula asked, “How is the percentage from GEARs Education going to the GEARs club chosen? What is it based off of?”
 - Richard said that they asked lawyers how to get money back to the club from GEARs Education. It has to be based on labor and what the club would pay a contractor to do the work. Richard calculated the cost by taking the fees for the year and took a third of that, which was approximately \$1000. There is an actual contract between GEARs Education and GEARs club.
 - As the membership increases, the income to GEARs club from GEARs Education would be increased. This year it should be more than \$1,000 due to membership fee increase.
- Emma asked how we would go about paying for political work if we wanted to move in that direction. Richard said that it can be framed as “education” instead of lobbying.
- There is nothing that prevents GEARs club from advocating or lobbying, but it lacks income to do very much. As a 501c(7) we can endorse candidates. If we are to spend money on political purposes, membership has to be informed.
- 501c(4) 50% of money can go toward lobbying. 50% is charitable or educational and social. IRS process can take 6-12 months. \$800 applying for the designation.
- Reed expressed that full turnover on the board makes it so that history is lost.
- Gary provided more history about GEARs Board members serving for extended periods of time (i.e. six years) and merging the Eugene Bicycle Coalition and GEARs.
- Paula advocated for making the organization work within the current parameters of the current structure.

- Gary suggested that we can change the term of the GEARS Education board to one year. Gary said that we need to review the administrator position and encourage promotion of the responsibilities of newsletter, membership, and website to GEARS members to take on as volunteer roles. Need to relook at budget.
- Garry Swanson asked Gary if he volunteered to run for office this year. Gary answered no. Garry recruited people for board positions last year. Garry shared that it was extremely difficult to do. Garry said Board asked Emma to serve at a meeting that she showed up at. Garry expressed concerns about people serving on both boards and the workload being too great.
- Garry agrees that it is frustrating not to understand the club. It took him six months to figure out the club as well. Changeover makes it difficult to deal with.
- Garry also does not want to see any “us” versus “them” messaging.
 - It is easier to find sponsors for the bRamble by showing where the mini-grant funding went in the previous year. It takes professionalism and consistency in order to accomplish our goals. It is not easy to find someone to do the website, newsletter, etc. We want to work together to get the best that we can. Garry has given a lot of time and will continue to do so to make the club function for a lot of facets. We are all in it together.
- Emma expressed not being knowledgeable about how to accomplish the club’s purpose in all of the areas delineated in the mission statement without knowing what resources are available and what currently exists: rides, classes, cycling facilities, rights of cyclists, bicycling events, and lobbying.

Proposal Suggestions from People Present

- Reed
 - Annual report from GEARS Education (who we funded, what we do, pictures, publicity, etc.). Need marketing materials and documentation of everything.
 - Review terms of office and require part of board to stay each year. One-year term with option of renewing for another year.
 - Figure out mission statement and clear, concise, and measureable objectives of what we want to accomplish.
 - Need to determine what the next level of the club is. If diversity is something that we want to work on, then we need to look at what will attract different people.
 - Make meetings more fun and enjoyable.
- Julie
 - One-year service is not long enough.
 - Likes GEARS Education reporting and involvement.
 - General meetings have been frustrating and wants more help with them. Less frequent (change bylaws?).
- Paula
 - Recent emails saying that people are joining due to new social events. People are reading what is going on on the website.
 - Bicycles belonging to the visitors from Montana were stolen. The visitors said that they would have liked to be warned about bike theft coming to town.
- Marina
 - Use internet and website to sell what GEARS is doing.

- Term should be more than year suggested, but not required.
- Learned about GEARs through Shane and education and grant programs. What Marina speaks to other people about GEARs, she explains the membership fee as a way to support the education and mini-grant programs and the bicycling community. Need to have specific use of our funds through our own organization that are clear to understand and align with what we do.
- Need more direct connection between spending and results.
- Emma
 - Things that Emma is interested in- changing infrastructure in our community, 13th avenue redesign with LiveMove, advocating for a specific redesign option and characteristics in the Willamette Street redesign.
 - Website: younger members may have the skill sets to do this on a volunteer basis. There could be more resources from the younger crowd if there were more young people were involved in GEARs. Emma recognized that young people are not the only ones with web skills.
 - Membership: moonlight mash had over 200 riders this past full moon and GEARs should be tapping into that event to diversify membership and be able to advocate more broadly on behalf of people who ride bicycles.
 - Business outreach and partnership: Emma wanted structured with including businesses into the GEARs advertising (example- Paul's Bicycle Way of Life event), potential sources of income- GEARs membership sticker savings go back to the club, not the individual.
 - Difficult to approach businesses without a clear definition of what GEARs does
 - Rides: great! Meet new people and learn new routes. The social aspect of GEARs rides are great.
 - Contribute more to broader bicycling community here in Eugene.
- Allie
 - Cohesion between GEARs Education and GEARs Board. Should function as one body.
 - Need a clear and robust marketing case – easy to say yes and make the case that money is well spent.
 - Need more visibility in the community.
- Ray
 - Agree that there could be a shared representation on both boards. GEARs Education Board could do a better job of informing the GEARs club Board of what is going on. Ray would like to see more GEARs Board members included in the mini-grant process.
- Garry
 - Efficiency of the club is the important thing.
 - Grow membership, get more volunteers – both huge goals. Also need money to function off of. Need younger members.
 - Professional newsletter, membership, website is good. Consistency and validity is huge.
- Richard
 - Continuity is key. Focus on supporting cycling in the community.

Updates

- John Valentine's bike was stolen in relation to the accident.

Next Steps

- Research type of club that we could become and cost of that
- Review administrator position at next meeting

Meeting adjourned at 8:05PM.