

Davis Bike Club

September 5, 2024, 7:00 pm

Joshel Residence
2743 Loyola
Davis, CA



1. Call to order:

a. Attendance of Members and Guests

PRESENT:

President: Dave Joshel

Vice President: Michael St. Paul

Secretary: Russ Ewers

Philanthropy Director: John Hess

Outreach Director: Maria Contreras-Tebbutt

Double Century: Stewart Thompson

Race Team Director: Ray Spore

Director-at-Large, Ultra Cycling Events: Deb Banks

Director-at-Large, Foxy's: Eric Senter

ABSENT:

Treasurer: Kurt Giles

Membership Director: Aimer Bhat

Race Team Director: Heidi Verbeeck

Website Manager: Robert Starkston

Newsletter Editor: Russell Reagan

Director-at-Large, Tour & Ride Director: OPEN

Quartermaster: Dave Starkovich

2. Consent, informational items:

- a. The minutes of the June 3, 2024 Davis Bike Club (DBC) Board of Directors (BoD) meeting and Final May, 2024 Financials were unanimously approved to be posted to the DBC Website and to the historical record on the Google Drive.

3. Unfinished Business:

- a.** Open 2024 Officers, Directors, Appointees -
 - i.** The following positions remain to be filled:
Tour & Ride Director
- b.** The 501(c)4 to 501(c)3 Tax Status Study Committee Final Report:
 - i.** The conclusion of the Final Report was read into the Minutes and that Final Report can be found attached to these Minutes.
 - ii.** Discussion followed with specific input in response to questions were provided by the DC, Foxy's and the Criterium Directors. Each felt it unlikely that such a tax status change would make a difference to their events. Further questions were answered regarding the Board make-up of such a conversion and experiences were shared of other similar non-profit organizations.
 - iii.** A motion to accept the Final Report and to maintain the current 501(c)4 IRS tax status was seconded and passed unanimously.
 - iv.** Further, that Report in its entirety, including the interim progress updates, Pros and Cons, and FAQs will be posted to the historical DBC Google Drive for future reference by the DBC Board and membership. The following link will access this information: <https://bit.ly/3B0jIHf>
- c.** Continuing evaluation of Robert Enzerink's 2023 DBC Member Survey:
 - i.** A question was raised as to what responses or actions resulted from Robert Enzerink's June DBC Membership Meeting presentation of the 2023 DBC Member Survey. Since the Board went on summer hiatus immediately following that meeting, no action as taken. The Board needs to be refreshed on the topic.
 - ii.** The Board was directed by the President to review the Survey with a view towards what actions need to be taken to improve the DBC. This issue will be taken up and further discussed at the October DBC Board meeting.
 - iii.** Copies of the Survey will be provided to each Board member individually via email.
 - iv.** The original 2023 Member Survey presented by Robert Enzerink will be posted to the historical DBC Google Drive for future reference by the DBC Board and membership. The following link will access these presentation materials:
<https://bit.ly/3TpepXU>

4. Officers' and Directors' Reports (as requested):

a. President (Dave Joshel)

i. Nominations for Lifetime Awards to be presented at the DBC Holiday party were unanimously accepted for: Rick Waters; Diane Richter
Dave will manage obtaining recognition plaques and / or gift certificates for each of them.

b. Treasurer (Kurt Giles) (Absent)

i. August Fiscal and Financial Reports were distributed and cursorily reviewed. Specific questions in these Reports should be addressed directly to the Treasurer by email, copying all such communication of questions and responses to the entire Board.

ii. The DBC financial position may enable more charitable distributions to be made than are currently budgeted, but the reserve must be maintained to protect the DBC's major fund-raising events.

iii. What is the proper reserve amount? At one time \$150k was targeted for that reserve amount but establishing a more accurate reserve amount is desired.

iv. The Treasurer will be asked to provide the financial information for Foxy's (2021 - 22 - 23) and the DC (2022 - 23 - 24), including the recent liability insurance cost increases for further Board evaluation.

v. Providing funding to the Zombie Bike Ride (\$2,500) was discussed and unanimously approved to come from a commensurate upward revision to the Philanthropy budget to co-sponsor the Zombie Ride. This is being done to improve and enhance the DBC presence in the local community by promoting interest in all forms of cycling in accordance with the DBC Mission statement. DBC members shall be encouraged to participate in the event.

vi. The discussion of making other unscheduled or unique charitable donations was deferred until after the reserve questions are further discussed. Revisions to the Philanthropy budget may be made after that discussion.

vii. Discussion on the suggested DJUSD Health Program Bike to School (\$250/school @ 20 schools = \$5,000) donation was deferred.

viii. Discussion of liability insurance coverage and recent premium increases was deferred.

c. Vice-President (Michael St. Paul)

i. The September Membership Meeting features Judd Van Sickle, Director of the Sports Performance and Wellness program at UC Davis Sports Medicine.

ii. The Cannery is booked for the Christmas Party and preparations are underway for catering the event.

- d. Membership Director (Aimer Bhat) – Absent no report**
 - i.** It was requested that Aimer get information on new membership and new members to Russell Reagan for inclusion in the DBC Changing Gears newsletter.
 - ii.** It is important to make it easy for new members to gain access to the ListServ.
 - iii.** Historically, new members were given water bottles or socks or other items to enhance their participation with the DBC.
 - iv.** The new member welcome will be incorporated into the October membership meeting.
 - v.** DBC bike socks have been received and 10 pr. or more as required will be given to our Korean Sister Cities exchange program participants (Sizes: S-M; L-XL).

- e. Race Team Directors (Heidi Verbeeck (Absent); Ray Spore)**
 - i.** Congratulations were extended to the Directors and the entire Race Team for their successful rebirth of the Criterium despite excessive temperatures and difficult conditions.
 - ii.** Ray expressed that the racers were very enthusiastic about the event and were spreading the word for increased participation next year. Ray reported that the riders loved the course.
 - iii.** It is Ray's goal to break even financially as soon as next year. Planning is already underway utilizing lessons learned this year.
 - iv.** Ray will provide a short write-up to be used in Changing Gears newsletter.

- f. Foxy's Fall Century Director (Eric Senter)**
 - i.** There are 685 entrants to date of an anticipated 1,100 to 1,200 eventual total.
 - ii.** Sign Up Genius in place, but Eric is not pushing it yet.
 - iii.** The usual tasks and volunteer vacancies are occurring at this stage of event preparation: Route and course marking; Volunteer Ride and Party coordinator; Finish Dinner coordination; DBC Banners to Dick Mansfield (Maria).
 - iv.** Permits are in process and as always will be the last items resolved.
 - v.** Mandated liability insurance limits of coverage to \$2 million has increased the annual costs for all three DBC events.
 - vi.** A twenty-foot-wide arch for the start and finish is planned and being coordinated with Veteran's Memorial Coliseum personnel.

- g. Director-at-Large, Ultra Cycling Events (Deb Banks)**

 - i. 300km nighttime ride completed in July.
 - ii. From September 27 – 29 a long weekend of gravel events are planned in Nevada City, bringing many different distances, courses and course variations each day (100km; 125km; 150km). The weekend will also feature a 200km Double Rubais from West Sacramento to Nevada City. The event is being run as a proof of experience weekend to enable qualification for next year's Quadrennial Gold Rush event (9-3 thru 9-6 2025), which will be contended in and around Quincy.
 - iii. The DBC is invited and encouraged to participate in the upcoming gravel weekend in Nevada City and will be invited on the ListServ.

- h. Outreach Director (Maria Contreras-Tebbutt)**

 - i. Foxy's Fun Ride (31 miles) being marketed with posters and cards.
 - ii. Endorsing '**Week Without Driving**', including a major banner at First and Richards
 - iii. Maria asked that new members automatically receive the Listserv without having to sign up for it as a high number don't read the instructions for receiving it in the welcome letter.
 - iv. Discussion regarding visioning for next 1 – 5 years was deferred due to time constraints this evening.

- i. Philanthropy Director (John Hess)**

 - i. The new socks (120 pair equally sized between S-M and L-XL) will be sold at \$20 / pair.
 - ii. The President is taking care of distribution of the socks stock.
 - iii. The initial distribution of this order will begin at the upcoming membership meeting.

- j. Secretary (Russ Ewers)**

 - i. No report

- k. Davis Double Century, Director-at-Large (Stewart Thompson)**

 - i. Stewart announced his retirement as Director of the DC and was warmly congratulated by the Board for his efforts and contributions to cycling.
 - ii. A new Director will be sought.
 - iii. Stewart has offered to assist his replacement within reasonable time constraints to support the continuation of the event.

- I. Website and Changing Gears Managers (Robert Starkston; Russell Reagan) –
Absent with no report

5. New Business:

a. Nominating Committee

- i. In accordance with the By-Laws a Nominating Committee must be established before October for any open Board positions.
- ii. The President will post on the Listserv the need for volunteers to serve on such a Committee and what offices are to be filled.

6. Adjournment: 8:54 PM

Upcoming Events –

Foxy's Fall Century (October 19, 2024)

Tabled Items (for future discussion) -

1. Financial Reserves (See Treasurer's Report above)
2. Expansion of charitable donations
3. DJUSD Health Program Bike to School
4. Revisions to Philanthropy budget
5. Recent changes in liability insurance coverages and costs
6. Ongoing response and actions to Enzerink 2023 Member Survey
7. Outreach Visioning for next 1 – 5 years
8. Recommendation for new members automatic use of Listserv.

Davis Bike Club 501(c)4 / 501(c)3 Final Committee Report August 27, 2024

As noted and discussed in the earlier Reports to the Board, the Committee has determined that the DBC could consider several outcomes regarding its Federal income tax status:

- a) Retain the 501(c)4 with no changes.
- b) Transition to a 501(c)3
- c) Establish a complementary 501(c)3 linked to DBC's existing 501(c)4 as the Davis Bike Club Charity.

Historically, the DBC has functioned effectively as a social welfare organization to the benefit of its membership and to those others in the cycling community who have participated in DBC's events.

In the Fall of 2023, from an informal Board survey, the respondents indicated that in their opinion the DBC was not doing all it could or should in functioning as a social welfare organization, let alone redefining itself overnight and becoming a 'charity'. The consensus of that survey graded the DBC as being at best a "C" organization in meeting its mission. In the Committee's opinion that is not a springboard for success into a new identity.

Over the past several post Covid years, the DBC has shown great perseverance, dedication and remarkable patience in building a war chest to financially offset the imaginary horrible of a catastrophic financial failure that might prevent the DBC from running all of its annual fund-raising events. The DBC has now securely positioned itself financially for the long term, but it is in an unfamiliar place for the decision makers, who are struggling to acknowledge that the Club now has the resources from which to draw for giving back to the cycling community.

In the considered opinion of the Committee, The DBC is not ready to become solely a charitable organization.

There may be advantages, however, in the DBC forming a subsidiary 501(c)3 complementary to and associated with the DBC's current 501(c)4. Such would enable donations to be made to the DBC and for the donors to enjoy tax deductions. However, unless such donations occur on a significant scale either initially or even over several years, the anticipated costs of setting up the 501(c)3 (\$5,000-6,000) and the continuing administrative hurdles (second Board of Directors; multiple tax filings) likely make even a complementary subsidiary 501(c)3 a bad bet for the DBC.

Further, what might the DBC membership think of this proposition? The Committee feels that this opinion is critical to how the Board should proceed. Any change in the DBC's tax status will require By-Law revisions subject to membership approval. So, any such change will require a well-organized, thorough and comprehensive educational program for the membership to gain approval for such a change.

DBC's continuing in its current tax status as a 501(c)4 is a no brainer. Currently, the DBC has surplus funds available for donation or for funding tours, scholarships, social events or for whatever cycling and club related purposes the Board and Club might put forward. The DBC can donate tomorrow to any deserving 501(c)3. The DBC doesn't need to be a 501(c)3 to do that. The DBC doesn't need to market itself as anything other than it is ... a social welfare organization which has the good fortune of strong financial management that enables it to be sustainable in an everchanging competitive non-profit marketplace.

The Committee feels that the DBC needs to get comfortable with an increased philanthropic role utilizing current available funds and anticipated future resources from the DBC's fund-raising events. These should be identified and acknowledged to the DBC membership and the cycling community.

Such a donor profile in DBC's current tax status could be sustained for several years before consideration is given again to the DBC's linking its 501(c)4 tax status to a new complementary 501(c)3.

When the DBC Board can grade itself with B+'s and A's over several years in meeting our current mission, probably only then should consideration be given to expanding the DBC role, profile and mission.

Conclusion:

The Committee advises the Board of three possible courses of action:

- A. The Board will accept the Committee Reports with thanks and take no further action. The Committees Reports will be filed on the Google Drive for access by future members should interest in a 501(c)3 again arise.
- B. The Board will accept the Committee Reports and take a positive vote as to maintaining the current 501(c)4 tax status.
- C. The Board will take a positive vote to modify its current 501(c)4 tax status to pursue moving towards alternative complementary or independent 501(c)3 solutions. At significant cost and inconvenience, a 501(c)3 could be added to complement the existing 501(c)4 and act simply as a placeholder for receipt of tax-free donations.

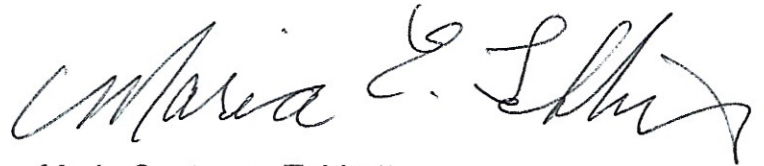
Note: Any action taken towards alternative 501(c)3 solutions will require By-law amendments and thus should include plans for membership education, timelines for such education and eventual membership voting action. Critically, such plans must acknowledge and assign a new committee of volunteers to lead this effort.

The Committee sincerely appreciates the interest that Board members have shown as we have gathered and presented information, questions and discoveries about this important topic.

Respectfully submitted,



Russ Ewers
Secretary



Maria Contreras-Tebbutt
Outreach Director