

# Cycles for Change Community Meeting

*December 17, 2019*

*6:30pm-8:00pm*

*Matthews Community Center*

- Board in attendance: Kizzy Downie, Hilary Reeves, Khu Thao, Jackson Otto, Andrew Petriusi, Ashley Pethan, Tom Guettler
- Facilitator: Ellen Squires

## Introductions and Context

Started with introductions around the room.

Board President Andrew Petriusi shared an update:

Hello everyone, and welcome. Thank you for coming, all of you.

We are hoping that tonight can be a dialogue, where we can discuss Cycles for Change as an organization that has served and we truly hope can continue to serve, the diverse needs of its community. We hope that we can discuss the organization as it was, that we can answer the questions and concerns that we know you all have as honestly and openly as possible, recognizing that there is hurt that will be difficult to address. Working with Ellen, the facilitator, we will ensure that all voices are heard, as we also work to continue to guide the conversation forward. At 7:00, we hope that we will be in a place where we can move the conversation to a discussion around how Cycles for Change might continue to serve this community in the future.

I would again like to sincerely thank all of you for coming tonight. We apologize that we have been unable to communicate as quickly as we would have liked on this. We did not want to come to you without any answers, without options and a foundation that would allow the organization to continue. We recognize that the past month has required a great deal of patience and trust, both of which are understandably strained right now. We hope that we can work to repair those crucial elements of community tonight and in the coming months, as well as to work with you to process what we have learned and addressed over the past month, the situation as it stands, and our options going forward.

I would also like to take a moment to acknowledge and validate that this has been a painful experience for everyone involved. We recognize how difficult this was and continues to be for staff, volunteers, participants, the board, and all others who have contributed to or been involved with the organization in the past. Cycles for Change has meant a lot of things to a lot of people over the years. I know every one of us in this room could tell a story of how the organization has played a critical role in their lives. C4C has played a crucial part in my life, and I have felt a great sense of respect and admiration for the impact I have seen the organization

have on others as well, made possible through the hard work of the community that has formed around Cycles for Change.

The challenges we face are significant, and it has been very hard to make the decisions that have made, knowing the impact of those decisions on the community as a whole. Much of what we have worked hard to build, what we loved, has been lost for the time being, and it is a very hard reality to face. But we do believe there is hope for a path forward.

I would like to briefly highlight some of the key facts regarding the situation leading up to now and as it stands.

- In 2018, we navigated a transition in executive directors, as well as the closure of our St Paul shop due to loss of lease. We engaged in a fundraising campaign to help with the move and set a course for 2019.
- Over the next few years, we recognized that with the Minneapolis shop operating alone, we could tighten up our systems and focus more on sales to get a better understand of the shop's financial viability. We did see a steady increase in higher sales and greater participation in the Minneapolis shop over 2018 and 2019.
- In 2019, we recognized that there was a financial problem due to impending loss of grants and a lack of clear cash flow.
  - Staff numbers and salaries were reduced with the goal of finding a sustainable cash flow that would allow us to remove the reduced rates.
  - Several grant writers were contracted to pursue new grant opportunities and strategize for future sources of income, particularly a long-term individual giving plan.
  - Board members have been working to pursue and cultivate individual fundraising efforts.
- Despite this, opportunities were missed.
- We were ultimately unsuccessful in funding revenue to sustain operations.

We know this will not be an easy discussion, for everyone in this room, but we are glad to be having it. We truly look forward to hearing your thoughts and input, and hope that we can address some of the concerns that we have heard and are aware need to be addressed. Thank you.

## Q&A

Questions were collected on note cards. Questions were then bunched and asked of the board.

What is a summary of the current financial situation? What financial things have been happening lately?

- Clearing off liabilities

- Defaulted on line of credit. This was the first obligation. The bank owned all the assets until it was paid off.
- Liability insurance
- Items to keep the org. out of legal trouble.
- Rent has not been paid since November 1
- Payroll
- Roughly \$5,000 left in the bank.
- Landlord is willing to work with C4C on coming up with some reasonable changes/recommendations. Giving them a business plan for moving forward that makes sense.

How are we prioritizing payroll vs. vendors vs. unsecured debt?

- First, the bank loan, then payroll, then other

2018 990 tax returns show financial problems, C4C has not been in a good financial situation for a long time. Where are the financials to improve transparency? Why wasn't this communicated with the community?

- 2019 was an effort to address some of this.
- 2018 990: → can make them available on the website
- Could have communicated better with the community. Didn't address that well.
- We were trying to find ways to make it work: bringing in consultants for grant writing
- P&Ls for 2019

Staff

- Addressing compensating/being accountable to staff.
  - The short notice with the layoff: not able to make payroll with low bank account
  - Hardships that staff have experienced has been one of the hardest issues to work through in these circumstances, and it has not been managed properly.
    - Staff are what makes Cycles.
    - Board did not communicate properly with staff.
  - The board is committed to communicating better with staff going forward.
    - Right now, there are no funds to compensate
    - Mailed out pay stubs Tuesday
- Emails of former employees
  - No notice from board to staff around closing. Outreach came way too late.
    - Lost access to their email accounts, which staff were told that those accounts wouldn't be taken away.
    - Staff interested in the content in those emails, such as trainings and work to utilize in other capacities.
    - Board (Andrew) to look into what happened with those accounts and determine a way to make content available to staff. Reach out to staff with more details by Friday 12/20.

How can we prevent surprises in the future? How did the board not know the bank account levels were so low, when the ED took out a loan for payroll the month before?

- Loan was to cover payroll until outstanding invoices were paid to C4C.
- Reinstated monitoring cash flow since a year and a half ago. Information the board was getting was that we were covered.
- Several different systems and folks that manage money. Wasn't a central process.
- Insufficient budget projections

When was the last strategic plan?

- 2018

Was there a stakeholder meeting, who was there, and what was the outcome?

- Yes, a small convening of partners/allies/similar organizations.
  - Comment that they were mostly white-led advocacy organizations.
  - That stakeholder meeting did not accurately reflect or support the C4C community.
- Grease Rag was not invited, which was a huge misstep by the board.

Why was there no employee representation on the board?

- Staff was part of the board many years ago. The staff and board used to be merged.
- Then there was work to separate the board and staff.
- More recently, director staff did attend board meetings to share updates and participate.
  - Staff did not have voting power on the board
- Opportunity for moving forward to adjust the model to more collaboratively work together

Folks concerned with answers and approach: not going to the community first (donors, staff, volunteers, and participants).

- As an organization, we have to prove to the community that we have let down, that it is worth moving forward together.

What's going on with soliciting donations? What are the fundraising goals? Can fundraising be partitioned to support staff directly?

- Donors need transparency in what those donations will be used for
  - Trust has eroded, and communication to donors is paramount
  - There is a gap between when the door has shut and this meeting.
  - Donations links to be taken down until there is more clarity on transparency and accountability.

## Idea Generation (Future Planning)

Open question to all: What are some things that you value about Cycles for Change and the work that the organization does in this community?

- Learn to Ride program

- Grease Rag Open Shop
- Best place to work because of coworkers
  - Working on safer spaces
  - How our identities are important
  - Staff made that environment welcoming
- Access to used parts
- Has a niche in truly engaging diverse communities
- Ability to serve communities not served by the traditional bike shops
- Place to go and hang, frequent visitors
- Coffee
- Going in and having someone that looks like me
- Reasonably priced, quality bikes
- Partnership with Seward Montessori bike program, field trips
- Be employed and be out: be safe. People would have your back.
- Queer community space that doesn't include alcohol
- Welcoming space to reconnect with learning how to bike
- Supporting youth
- Don't treat people who come in like they need charity or they are poor. Staff connects with people like they are human beings and get them what they need.
- Staff has constant willingness to teach you. Good environment for learning
- Open shop (grease rag): sense of community. Felt like home
- Open shop (grease rag) was always popping and full. Always busy. Strong community. People just came to hang out even if they didn't have a bike to work on.
- Passion it instilled in folks that participated. Staff built the community.
- How staff takes people seriously.
- As staff and volunteers: had a lot of support when they got letters from community members that there was discrimination against men. To say this was uncalled for. Took it seriously and supported.
- Concerted efforts to change the way Cycles operated. Embedding that in the way the structure of the organization operated.
- Community to bring Grease Rag together. Physical space to meet that wasn't someone's house.

If C4C wants to move forward, staff, Grease Rag, and community needs to be centered.

Imagine that Cycles is back up and running in the future. What type of things do you see and not see?

- Community needs to be centered
- Nonprofit documentation needs to be a lot more transparent (administratively)
  - Elections for the board
  - Bylaws (Board to share on website)
  - Rules
  - Meeting minutes

- Forms 990
- Strategic Plan
  - Drafts for grants
  - Proposals to increase efficiencies
  - Quarterly reports and summaries from staff
  - Budget
  - Volunteering by the board
  - Meeting new staff
  - Incorporating staff into these decisions
- Having a space to be
- Diverse board: community representation
- Broader community (over the years):
  - After getting input from this community, reaching out to other organizations to help compile all this information together. Groups/staff that could help weigh in.
  - Think tank of other like organization
- Whether or not to have the bike shop
  - Could be up and running in three years to be sustainable.

Why should this community trust the board and the process?

## Next Steps

- Management process going forward: clear and communicated with all
- Posting documents on website to increase transparency
- Determining if/how can the organization be viable in the future? Consider:
  - Scenario to continue to operate learn to ride and open shop
  - Scenario to have other organization take over, manage, or buy the bike shop.
  - Scenario to sunset the organization and redistribute any leftover resources to the community
- Another community meeting in early January
  - On website, social media, and by email within a week
- Recognizing that we misunderstood who the stakeholders are
  - Stepping back and reidentifying who the actual stakeholders are
  - Continue to include the community in the conversation.
- Communication to donors about what is happening and what money is being used for.
- Staff emails
  - How to get content within email accounts to staff. Share update with them by Friday.