

Dons Trust Board

Minutes of Meeting Thursday 11 May 2017

The Cherry Red Records Stadium - Presidents Lounge

Members

Matt Breach (MB)

Mark Davis (MD)

Jane Lonsdale (JL)

Colin Dipple (CD)

Roger Evans (RE)

Tim Hillyer (TH)

Sean McLaughlin (SM)

Matt Spriegel (MS)

David Growns (DG)

Invited

Andrew Williams (AW)

Erik Samuelson (ES)

Tom Brown (TB) (DT Sec)

Hannah Kitcher (HK) (Secretariat)

Rob Crane (RC) (Secretariat)

Michael Hayes (MH) (Secretariat)

1. Apologies

Apologies had been received from Nigel Higgs. Jane Lonsdale and Matt Spriegel had indicated they would be late (both arrived shortly after the start of the meeting).

2. Stadium Update

a) Report on Tendering Process

AW summarised the Preliminary Tender Report that had been circulated among DTB members. The process had been driven by the requirement in the draft Development Agreement that signature would commit the club to the construction of phase 1 of the Stadium at the point of signature of the Section 106 Agreement. Three tenders were chosen from a long list of 12. These three had to prepare a soft tender against the prepared specification with a tight deadline. The pitch, fixtures and fittings, and temporary seating were excluded to allow the club to make a later decision on those items and to avoid a main contractor mark up. The crèche was also included although this is to be funded by Galliard. Although a soft tender, it was noted that some items could be quoted at a fixed price now and the tenderers were told that we will want fixed costs by November. It was also noted that we reserved the right to use the information obtained from this process to instigate a further tender process if we were unhappy with the performance of any selected company. The tenders were reviewed for anomalies and adjusted where necessary.

A fixed cost within this tender was for completing the subsequent stage 2 tender process to give the club a fixed price for all the required works, scheduled for the start of November 2017 to give the preferred contractor time to mobilise ahead of the anticipated February 2018 start date for works on site.

AW took the DTB through the **Executive Summary**. Three bona fide tenders have been received. A site visit was made to projects of each tendering contractor. Mid tender review interviews were conducted with ES attending. The evaluation team comprised architect Derek Wilson, Quantity Surveyors Barry Winterton and Tom Woodbury, plus AW.

[Summary: Two of the Tenders presented were within the allocated construction budget so those two tenderers have been retained for further refinement of their offers prior to final selection.]

AW noted that the main funding (payments from Galliard and CFC) will only become available on transfer of legal title to the stadium land, which in turn will only become available once Galliard have cleared the site in accordance with the Development Agreement. There is therefore a prior cost to the club within the tenders for design development and pre-construction activity to ensure the contractor is ready to start on site when the land becomes available.

AW felt that the delay to Historic England's decision on listing the greyhound stadium (caused by the General Election imposed purdah) should be used to get a greater level of understanding/certainty about the tenders. The tender invitation required that prices be held for 3 months but based on starting on site in February 2018. ES noted that it should be borne in mind that we do not yet have a fixed price.

In reply to questions about timing, AW said that all three contractors have been told that a decision will be taken by early June 2017, and that we expect a fixed price tender by early November 2017. In the event that the preferred contractor's fixed price tender is unacceptable, we would have the option to switch to the second choice, or instead to use the enhanced information we will then have to go to the market again.

JL asked whether all three tenders took risk into account including working alongside Galliard. AW said that all three were satisfactory.

In reply to a question about the crèche, AW said this will be funded by Galliard and owned by the club, but subject to a lease in favour of Galliard based on Galliard's expected payback period.

On **London Living Wage (LLW)**, all three noted the difficulty of policing subcontractors but confirmed that all direct staff would be paid the LLW, and supplied relevant figures.

In answer to a question from RE, AW said that all three tenders were disabled access compliant.

MB summarised the decisions for the DTB as being "is the DTB happy with where we have got to so far?" and "What should be said at the SGM on 5 June?" It was agreed that a tailored version of AW's presentation would be briefed to members.

AW finished his presentation and was thanked.

b) Financing

ES said we are starting in a good place. If the two lower tenders stand up to further scrutiny, the Galliard and CFC money would cover the build cost with borrowing on top for the fit out. This raises the question “how much should be raised?” There are two schools of thought – either raise now as much as we can so that the stadium can be made to maximise income, or to be more prudent and borrow what is required now with a prudent contingency.

ES said there were two decisions for the DTB to take, although not immediately; how much borrowing does the DTB want in the light of the budget projections, and does the DTB want another share issue? There was some support for favourable terms or priority being offered to existing shareholders if permissible. ES noted that share capitalisations within the existing AFCW PLC had been arranged so as potentially to secure EIS tax relief, now no longer available due to changes in legislation.

ES promised to present a detailed paper on financing to the DTB after the discussions with [Crowd-funding specialists] have been completed.

In answer to a timing question from RE, ES said that he was surprised and pleased that Galliard are now prepared to pay us earlier than previously stated, such that the stages of financing are now first Galliard, then CFC, then borrowing or share issue. While this is excellent, it does present issues if we are now seeking a borrowing facility that will not be drawn down for about 18 months. It was noted that capital adequacy rules now have the effect that banks are reluctant to lend long. ES envisages that any facility might be for five years with a fee payable to roll over, although some longer-term options may be available to us.

MD asked what effect the Galliard willingness to accelerate their payment has on timing of when the club should complete the deal. ES thought that on the current budget there should not be a problem in signing immediately, but we don't have to sign yet.

AW noted that the inflation calculations in the original estimates were based on the Building Construction Index which has come in lower than expected, due to construction business re-evaluation in the light of Brexit and the desire to get a satisfactory forward order book.

Action: AW to make a recommendation as to preferred contractor after 26 May, but realistically not in time for the SGM.

AW to make a tailored version of his presentation at the SGM, majoring on design and updated images of what the stadium will look like.

ES to present detailed paper on financing after finishing discussions.

3. Status of 2017/2018 Budget

ES promised to recirculate the budget ahead of the June DTB meeting.

Action: ES to recirculate the 2017/2018 budget ahead of June DTB meeting.

4. AOB

a) Change in Food Concessions Supplier

ES reported that a decision has been taken to go upmarket in order to improve quality. This will involve price increases.

b) Ethical Sponsorship

ES needs to know where the DTB is on this. MB agreed to launch the survey before the SGM.

c) 9 years Podcast Relationship

The FCB plans to ask them to do a short “taster” video to go on YouTube/Dons Player.

d) Escrow Arrangements for K's

K's lawyer says AFCW must be a party to the Escrow Agreement, since there could be a claim against the escrow agent (K's auditors) if the funds are dispensed incorrectly. K's have not yet identified their signatories. ES needs to know if the DT agrees to be a party. After discussion, it was suggested that the DT could supply signatories in a “role” capacity – e.g. as Chair, CEO, Vice Chair, or Treasurer for the time being. MD suggested that we should not be saddled with the obligation to examine each withdrawal minutely, responsibility should be that of the escrow agent.

e) Checktrade Trophy

ES summarised the votes taken and the resulting agreement for a modified version of the existing format, with each group continuing to contain one invited Under 21 team with the rest being League 1 and 2 teams. Improved prize money means that each team gets a minimum £20K. Improved regionalisation until quarter-final stage will mean less travelling. It was noted that, once again, whilst we are against the format of the Trophy Neal will be given free hand to pick the sides he wants and to aim to win the competition.

f) Membership Survey

MS reported that over 1500 responses to the Membership Survey have been received to date.

g) Family Excellence Award

At JL's suggestion, the DTB recorded its congratulations to the club for the award.

h) Safeguarding

JL reported that some DBS checks had not been carried out for various people, including herself. ES reported that the Club have recently appointed a new Welfare Officer and this activity was now underway.

i) Complaints

JL queried whether it was correct that no complaints about Sutton game ticketing had been received. ES will check.

j) Elections Questionnaire

TB asked for more comments from DTB members on the proposed questionnaire; it will be circulated with the Ethical Sponsorship survey prior to the SGM.

k) Date of Next Meetings

SGM 5 June 2017.

Next DTB meeting 12 June at TCRRS. ES noted that he will be on holiday.

Actions: ES to check complaints record and Safeguarding issues. MB to launch Ethical Sponsorship Survey prior to the SGM.