

Commonwealth Terrace Cooperative, Inc.
Board of Directors
Meeting Minutes
August 19, 2008
7-9PM

Present:

Absent:

<input checked="" type="checkbox"/>	Nili Makovski	President	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Pablo Olivera	Vice President	<input type="checkbox"/>
<input type="checkbox"/>	Kollin Steiner	Sports Committee	<input checked="" type="checkbox"/>
<input type="checkbox"/>	James Soukup	Treasurer	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Haink Tu	Director	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Aysegul Kozak	C&E	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sylvia Davila	Temporary Replacement for Kaoru	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Neeraj Rai	Chair of F&O Committee	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Scott Creer	Housing & Residential Life	<input type="checkbox"/>
	Kris Graham	Manager	<input type="checkbox"/>

5 BOD

Members

Meeting came to order at 7:13PM TOTAL

2 Absences

Topic	Who	Decisions/ Votes	Discussion
Consent agenda	Nili Makovski		<p>Aysegul: The July 2008 BOD Meeting Minutes are not accurate. Discussions are not there. Statements are not fully written, making it unclear.</p> <p>Kris: It's hard to take minutes.</p> <p>Nili: Whoever has a problem with the minutes can revise it. The only thing that I find intolerable is the motion by James Soukup at 9:01 – to extend interim BOD for 6 months.</p> <p>Neeraj: If she (Aysegul) feels misrepresented, she should correct based on what is there.</p> <p>Aysegul: Is everyone else ok with it?</p> <p>Nili: I think it is vague but there was so many people that I think it would be difficult to correct. It's hard to put my finger on it.</p> <p>Haink: I thought they were pretty good.</p> <p>Pablo: It depends on your expectations.</p> <p>Neeraj: The point is not depth, but whether something can be misleading.</p> <p>Nili: But usually people remember what they said.</p> <p>Neeraj: If she feels that what she contributed is not there, she should add or clarify. She'll (minutes-taker) have a draft, so it won't be difficult to correct it.</p> <p>Aysegul: If someone reads it, they should not misunderstand/ misinterpret.</p> <p>Nili: Can I suggest that next time we have the minutes a week in advance, I would like to hear these types of things—that it is too complicated to discuss by e-mail, etc. Why we motioned 6 months: August 4: changed 2 things on number 6. Sylvia was there and name is not there. But not at community meetings. Management/ maintenance report.</p> <p>Aysegul: Some woman complained regarding something?</p> <p>Neeraj: If it is just verbal, it doesn't go anywhere. There should be some procedure.</p> <p>Sylvia: She said would write a letter, but she is out of town.</p>
Consent agenda, cont'd	Aysegul Pablo	<p>Moved</p> <p>Seconded</p> <p>5 in favor</p> <p>0 opposed</p> <p>0 abstained</p> <p>PASSED</p>	To approve the Consent Agenda without the minutes

Topic	Who	Decisions/ Votes	Discussion
Financial Report	Neeraj Rai, Finance Chair		<p>Neeraj: Didn't have enough time to go over the reports carefully. But according to date on it, was prepared before the F&O meeting. Talked to Pat about it. Assumes Haink Tu got it further in advance? Wanted to interpret, make recommendations on financial situation assuming that we would remain as a cooperative and would be going through the 2009-2010 budgeting process. Would like to have other Committee members attend meeting so more people are involved and aware. Historically, everything has been done in such a rush; would not get information from U until the day of the meeting. Balancing things out did not get justice. Most things were done ad hoc, whether it was fees, etc. We thought we did what was best, but the route of going about things was not the best. Invited other Committees, some of which (Sustainability and C&E) did come. Some others did submit their requirements. Pat represented management. Went through the documents F&O expects from management each month. She agreed to provide them. Also discussed Sustainability's ideas re: waste reduction, etc.—another positive that came out of the meeting. Wanted additionally to look at energy/ utilities consumption. More re: units of consumption rather than dollars spent, e.g., natural gas consumption is very high during certain months. If we area able to see monthly variances in terms of our consumption, we could compute the real costs and come to a reasonable agreement about what it to charge for a dishwasher, AC, etc. Someone volunteered their time to go through the available data, but there is no data for 2 months. Need to get it. Also want to ask from University: you (to Fred) do not tell us in units. Can you?</p> <p>Fred: I don't see the bill, but Norm probably could. Scott can follow up with that.</p> <p>Neeraj: The idea is to have a very thorough energy audit. We know how much it fluctuates. We could determine very reasonably the cost for visitors, etc. By the next meeting, hopefully we'll get some numbers out of it. We ought to be more careful re: expenses, e.g., laundry contract.</p> <p>Kris: Was going to discuss laundry contract, anyway [see MacGrey Laundry lease row below].</p> <p>Neeraj: Want to leverage by having more people compete for contracts.</p> <p>Kris: I don't go for contracts, but for an agreement with a 30 day out, so if we're not happy, we can stop the service.</p> <p>Neeraj: I'm saying 'contract,' meaning an agreement. We could either increase income or reduce expenditures, and the F&O Committee is willing to work on it. We tried to contact Grounds Committee Chair, as well.</p> <p>Kris, Nili: No one knows whether they meet.</p> <p>Neeraj: According to our Bylaws, they are responsible for the upkeep. So if they have some ideas, we are willing to consider them. There are some issues (slide & bees) on Ray Place playground. We have enough resources in our reserves to address them.</p> <p>Kris: We just took the broken slide down, but that's not the solution.</p> <p>Neeraj: The biggest complaint I hear is that people are concerned about their own place, for their kids using the playground, etc.</p>

Topic	Who	Decisions/ Votes	Discussion
Financial Report, cont'd			<p>Kris: U Landcare is involved in the bee issue. Apparently they are nesting inside the sand and the solution is to smother them. Are going to start putting signs up: 'use at your own risk'. Has been about a month. People might think problem is in equipment as opposed to the sand.</p> <p>Scott: We don't want to limit access until we solve the problem—or the bees will just re-nest somewhere else. Signs are good as far as risk management, though.</p> <p>Kris: They want to replace sand with something unattractive to bees, like rubber turf, etc.</p> <p>Neeraj: Until we are audited, we should withhold the decision, but looks like we will need to get money out of reserves again. There are different items where we went over budget. The main one is utilities—\$50,000. The total over was about \$120,000—too many other items to go over. We exceeded almost every major budget line item. And we spent too much on consulting and many other things. We ought to be very clear going forward, not paying lawyers, etc.</p> <p>Kris: I think last year was an extraordinary case, with temporary help, accountants, lawyers, etc.</p> <p>Neeraj: I'm not aware, but the bottom line is that we did exceed. Would need to withdraw another \$15-20,000 from reserves. We already took out about \$109,000.</p> <p>(Clarifying to BOD members) The Balance Sheet tells you our assets & liabilities: What our accounts receivable are—CTC is going to receive money from somebody. The biggest is U-MN. Security deposits cannot be touched. We had significant reserves, but we withdrew nearly \$240,000 in the past two years. Balance Sheet also tells you the liabilities—what we owe people, or accounts payable.</p> <p>Aysegul: If it's minus, does that mean we are in debt?</p> <p>Neeraj: It's negative. It looks like they have to give it to us.</p> <p>Kris: Each Ward has a budget and the Rep gets reimbursed when they spend from it. S/he provides receipts to Pat.</p> <p>Neeraj: Comparison Sheet shows you variances based on our budget.</p> <p>Kris: If you look at the Annual (column on sheet), it is divided up monthly. So at different times of the year, some things eat up more, but other things eat up less. So the monthly numbers mean more in relation to the annual figure.</p> <p>Neeraj: MTD=Month To Date. Fiscal year starts in July. Some income that we have budgeted, e.g., what the U gives us—will be exact; no variance. Some income was estimated, e.g., fees, and will thus vary.</p> <p>The Check Registers are not necessary for everyone—add to the printing expenses. The treasurer has to have it, but others do not necessarily.</p> <p>Scott: Can't things be sent to BOD members electronically as PDFs, and only what is absolutely necessary be printed out?</p> <p>Kris: Normally, all this would be part of the Consent Agenda.</p> <p>Neeraj: Once F&O has seen it, there's no need to duplicate the work.</p> <p>Nili: If James doesn't go to the F&O meeting, we must send a substitute.</p>

Topic	Who	Decisions/ Votes	Discussion
Financial Report, cont'd			<p>Neeraj: General Ledger=every transaction in detail—daily transaction record. F&O needs it, but it doesn't need to be printed for everyone, nor does the BOD need to spend a lot of time on it. They can just get it electronically. I suggest keeping one hard copy in the office. This is just for one month, so imagine how big it would be for a year.</p> <p>People don't seem to be complaining about fines.</p> <p>Kris: People did come into the office and complain.</p> <p>Neeraj: Just tell them that management has no authority to do anything; it is a BOD- and Committee-level decision.</p> <p>Kris: Staff has had some training in how to handle situations.</p> <p>Neeraj: Payroll Register. I don't think everyone needs to see it. We're only concerned about the number of regular employees.</p> <p>Kris: There are extras in the summer who don't get benefits.</p> <p>Neeraj: Did we replace all the old locks? They are so nice—you can't lock yourself out. Is it complete now?</p> <p>Kris: No—it's a big process.</p> <p>Fred: It'll be finished this year, though?</p> <p>Kris: Yes, it's part of the Capital Plan. Lots of time/ effort/ money being spent on people locking themselves out. Do you want me to make it a priority?</p> <p>Nili: I want hard copies to make sure we are on track.</p> <p>Neeraj: But that will be part of the F&O report.</p> <p>Nili: And part of the Management report.</p> <p>Haink Tu: How about projecting it (on the wall/ screen) so we can go over it together. There's no need to print so many out.</p> <p>Neeraj: Yea, every time a Committee member quits, I would have to make sure all the confidential information (particularly re: payroll) is returned or destroyed.</p> <p>Nili: Does it make sense to limit it to Executive Committee alone?</p> <p>Kris: We could also remove personal info from some of these. Nili, would you be o.k. having a log in the office for it?</p> <p>Nili: Yes, but there should be both, one for F&O and one for BOD.</p> <p>Haink Tu: It would be—James and F&O.</p> <p>Nili: How does F&O operate if they don't get copies?</p> <p>Neeraj: We get other information, e.g., Variance and Balance Sheets, but we don't get the Ledger. If there is some discrepancy, we look at the Ledger or ask Kris. F&O Chair alone (and BOD Executive Committee) can get everything.</p>

Topic	Who	Decisions/ Votes	Discussion
Financial Report, cont'd	Pablo Aysegul	Moved Seconded 5 in favor 0 opposed 0 abstained PASSED	For BOD to get hard copies of Balance Sheet and Variance Report from F&O Committee; for BOD to get electronic copies of Ledger , and Check Registers; for Neeraj & James to get hard copies of Ledger, Payroll Report, and Check Registers.
Audit Up-date			

Topic	Who	Decisions/ Votes	Discussion
<p>2007-2008 Annual Report Planning</p>			<p>Nili: Kollin is in charge of Annual Report. He will be working with Kris on it. We need job descriptions of the Committees.</p> <p>Kris: Look in the Bylaws</p> <p>Nili: New committees, e.g., Sustainability, are not in the Bylaws.</p> <p>Pablo: I was on Grounds (in response to general question about status of committees).</p> <p>Fred: Question—Officers’ (Executive Committee) and Committee Chairs’ reports for the past fiscal year. Some Committees aren’t functioning—whatever they want to contribute, they can.</p> <p>Nili: Let’s talk next week with Grounds to see what’s there. Talk with the Ward Reps—we need to reserve 5 places for laundry room duty. Will be at least 6 months until we have an opportunity to change Bylaws, etc. Are we going to have 6 months of Committees not operating?</p> <p>Aysegul: But we should have more than 5 on laundry because so many people are in the wards.</p> <p>Fred: With Financial report, just a Manager’s report. For next stockholders’ meeting, we may want a full report.</p> <p>Nili: Within 2 months, we’ll have a new member meeting. It should have happened in May, and didn’t happen. We need to catch up, need to have standing Committees and chairs that know what they’re doing and new residents that know what to expect. We want to make report available to people before meeting.</p> <p>Fred: That will be difficult because the Audit won’t be ready, and that is the Financial report. I would first contact the auditor and see what seems realistic.</p> <p>Kris: October or November; last year, it was February.</p> <p>Nili: We could just send out the previous year’s Audit.</p> <p>Neeraj: We have Bylaws that specify when we have to send out financial information.</p> <p>Kris, Nili: But usually, when the Annual Meeting is in May, we distribute the Audit that was completed 6 months prior to it.</p> <p>Neeraj: I suggest that BOD members go back to the Committees that they had been on. That was the point of having Committee chairs in becoming BOD members. If you don’t have connection to the people you are representing—I had trouble running my own Committee so I can imagine what trouble they are having.</p> <p>Nili: They are saying they are lost and don’t know what’s happening and aren’t getting any guidance.</p> <p>Kris: A list as recent as we have it is in our office.</p> <p>Neeraj: Email all Committee Chairs and members asking whether they are willing to continue or not. The immediate priority should be to confirm their Committee membership.</p> <p>Kris: Just go through the packet and identify what you need to do (for the Annual Meeting).</p>

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MacGrey Laundry lease		No Motion re: laundry.	<p>Kris: MacGrey Laundry lease—have some verbal recommendations that can be put in writing. Average is \$1.75 wash, \$1.50 dry. We could easily push CTC’s up to \$1.15/ \$1.10 and make more money. Now, they pay CTC a flat fee of \$2,500 whether we make that or not. We make an average of \$5,000/ mo, but if we increased it, we would get a proportion, e.g., 60%, rather than a flat fee. The increase in costs that we incur (e.g., water) are not reflected in what we earn from them.</p> <p>Neeraj: This should come first through F&O.</p> <p>Nili: I agree. We won’t make a decision today.</p> <p>Neeraj: Can we trust what they say?</p> <p>Kris: They’re pretty transparent. The discussions started with talk about a new machine that accommodates credit cards.</p> <p>Neeraj: Are there other vendors available to do this?</p> <p>Kris: We went through a lot of work to get MacGrey here. Como just got them.</p> <p>Fred: We are still just month-to-month, right? They probably want something longer-term.</p> <p>Neeraj: So we’re (residents) sort of paying twice.</p> <p>Nili: If you had a washer and dryer in your home, you would still be paying for water and energy.</p> <p>Neeraj: Yea, but I could pay \$1.50 or \$1.75 outside (not in my home) and not pay for the electricity, etc.</p> <p>Kris: I think re-looking at vendors is not necessary.</p> <p>Fred: 8 years is a long time. Make sure you look for an escape clause (a description of how can we cancel).</p>

Topic	Who	Decisions/ Votes	Discussion
CTC History	Fred Frogner		<p>Fred: This site used to be military housing from the Second World War. As was Como. The original name was Grove East, a place in Falcon Heights for faculty. Then it was Commonwealth Terrace, and managed by the University. After WWII, the GI bill made money available for vets and families to go to school. The population of U-MN probably doubled and need for housing was incredible. The federal government gave this property to U-MN with the understanding that it be used to house these returning vets and their families. It was made up of barracks, which are a unique building with rounded roofs (easy to assemble) and some trailers. It stayed that way until 1950s, when the U began replacing the temporary facilities. Most of Como became an intramural athletic field, with the thought that someday (ended up being 1970s) it may be reclaimed for housing. By the 1960s, the U experienced a tremendous increase in students again—largely the veteran population’s kids—and again experienced a shortage of housing. Phase 4 of CTC was built to alleviate that, as was first phase of Como. About 1970, a group of students here became interested in the cooperative movement. They came up with a proposal actually in 1968 to convert CTC to cooperative under contract with U. There were vocal protests at the state capital. They negotiated until 1970. The U called it an experiment. They weren’t sure they (students) could manage a property like this. Since then, have been cycles of success and crisis. Lately more crises. 5-year contracts, historically. Historically, people were satisfied on both sides, so no negotiations were necessary or undertaken. In the last 10 years, though, there have been no more automatic renewals of the contract. This had more to do with running the business—developed an annual inspection and report itemizing what needs to be fixed. Things improved as the U got more directly involved. Then other issues re: BOD-manager relationships arose.</p> <p>Childcare was not originally required. The Community Center was designed to have a childcare center in 1973. Our management agreement gives CTC the right to enter into agreement with them. They pay CTC for utilities but not space. CTC families have priority and reduced rates.</p> <p>Fred started at Como. Building Como was a more difficult process. Had harder time getting funding from state because of concern re: amount of land going off tax rolls for institutions. A constitutional amendment statewide authorized the legislature to limit non-taxable public property. So the U experienced difficulty getting land. Local landlords were probably arguing that they could do at least as well if not better. So the U agreed to pay a little tax for Como if the legislature would authorize the bonds. But Como residents protested, particularly because CTC didn’t have to do it. The U never did end up charging them any tax to pass on to the state. There was a tax exemption on student housing. But faculty staff housing does have to pay taxes. At that rough moment between Como and the U, Fred became the liaison between them.</p>
			Meeting adjourned at 9:16PM