

Commonwealth Terrace Cooperative, Inc.  
Board of Directors  
Meeting Minutes  
August 22, 2017  
6:00pm – 7:30pm

Present:

Absent:

<input type="checkbox"/>	Grace Bell	Board President	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Michael Herrmann	Board Vice President	<input type="checkbox"/>
<input type="checkbox"/>	Paul Bigwood	Board Treasurer	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Matthew Young	Board Secretary	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Jaddy Yuhong	Board Director	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Guisheng Zhang	Board Director	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Dustin Chernick	Board Director	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Kate Sammons	Board Director	<input type="checkbox"/>
<input type="checkbox"/>	Javi Monardez Popelka	Board Director	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Scott Creer	Housing & Residential Life	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Hadley Adkins	General Manager	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Shanea Schmelling	Operations Manager	<input type="checkbox"/>

**Total: 6 Present, 3 absent**

Guests Present:

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**Meeting Rules**

1. Raise hand to speak
2. Two minutes per person
3. Give everyone a chance to participate
4. Stay calm, be respectful and do not get personal
5. Stay at the meeting (even if you get upset)

**Meeting Preparation**

1. Please read all documents in board packet in advance
2. Please let the group know in advance if you will be late or cannot make it to the meeting

*5:30pm General Manager will be available to discuss any agenda item or call and set appointment if it works better*

**6:04 - 6:05 Welcome, Choose Time Keeper and Process Assistant**

Timekeeper: Matthew Young

ProcessAssistant: Matthew Young

**6:05 - 6:15 Scott Creer, University project updates**

Are there any questions for Scott about the document received?:

- Are you able to give time frames for how long each project would take?
  - That is not given until we have bids.

Capital Projects document provided:

FY18:

- 2 Bedroom Split Building Study – \$75K - Pre-bid process; Will be submitted directly to qualified bidders within 3 weeks;
- Replace Gas Lines Between Buildings – \$350K – Submitted Project Request; Waiting for project manager assignment;
- Replace Electrical Transformers - \$700K – Part of the electrical system replacement project starting in FY19: Design Completed; Waiting for Regents approval;
- Replace Phase IV Roofs - \$600K – Submitted Project Request; Waiting for project manager assignment.

Capital Planning: We are currently reviewing the Capital Plan and facilities needs for the next 10 years. If there are items that you wish to be addressed, now is the time to discuss those items for inclusion into future years of the capital plan.

U of MN is owner of the property, CTC is responsible for the program. The Capital Plan becomes utilized when projects:

1. Cost over \$10,000;.
2. Are depreciable;
3. Make sense for U of MN to do rather than CTC.

45% of rent dollars go towards the Capital Plan and is documented in the University Requirements.

Requests can be put in now for Fiscal Year 2019 and beyond. Fiscal Year 2018 is set.

Topics of conversation & suggestions:

- Raised Garden Beds
- Stoves- Replacing all with electric? It would depend on what is decided with the Two Bedroom Split Building Study, since the one bedroom units are coming down.
- How do you decide the design of the buildings?
  - The University Architect would most likely get the design.
- Will the 45% of Rent University Requirements adjust with units that are not producing revenue?
  - No
- CTC is self-sufficient – 100% of rent dollars go back to CTCproperty in some way. The University does not and historically has not given money to housing.
- When Fifield Place/ Fifield Avenue corridor is under construction, please have it completed by the time of the State Fair.

**Resident Voices – (2 minutes allotted) -Board will direct resident voices in appropriate direction.**

- No residents showed for this Resident Voices segment.

**6:31-6:47 House Keeping:**

1. Assign Terrace Times article – Due August 31<sup>st</sup>
  - a. Dustin Chernick Volunteers to Write- Theme of Welcome for Fall Semester & Welcome Back Breakfast.
2. Additional Discussion Points for Safety Awareness Meeting On(8/23) at 6pm with University of Minnesota Police Department (UMPD)
  - a. Community Safety Awareness Meeting -Wednesday, August 23, 2017 -6:00pm Upstairs Community Center
    - i. Are there any updates on the most recent incidents at CTC?
    - ii. Installation of security cameras property wide. What is the police perspective on camera detection? What are successful determent and apprehending strategies?
    - iii. Posting of surveillance signs without actual cameras – Are there any legal ramifications?
    - iv. Would signs help deter crime?
    - v. Current UMPD patrolling schedules for CTC. Concerns of limited presence of UMPD on property during early times of day or evenings. These would seem to be the opposite of when incidents tend to occur.
    - vi. Encouragement and support fora resident driven Community Watch Patrol. How can UMPD support a volunteer-based Community Safety Patrol Watch team? Our Operations Committee oversees the security aspects of the community and any suggestions and ideas for the committee to help educate residents are welcome
    - vii. How to best encourage and educate residents on reporting suspicious activity and crime? Discuss ways to overcome the hesitation factor of reporting.
    - viii. Any other suggestions towards community safety.
  - b. Additional TopicsTo Be Added.
    - i. Can you put up trail cameras? Pursue additional locks, Wi-Fi supported options?
    - ii. Brief summary will be given by Jeff and the Operations Committee.

**Matthew motions to move the Delegation of excess capital reserves to below the Packet approval; Dustin Seconds; 5 approve, 0 opposed.**

**6:47 – 6:50 Approve: Packet / Agenda / Consent Agenda**

*-This is add or drop time only leading to an up or down vote. Any concerns or questions with the packet should be attended to during monthly reading of the packet prior to the meeting. (Financial, Management Report, Meeting Minutes, Committee Minutes, etc.) Address questions to Exec Committee or GM.*

**Dustin motions to approve the consent agenda, agenda and packet; Matthew seconds; 5 approve, 0 opposed.**

**Delegation of Excess Capital Reserves – Brainstorm**

- Current CTC Security Deposit investment accounts have a sufficient amount that would cover returns on all deposits to residents;
  - CTC's primary endowment account is the investment fund. It has been suggested to switch this fund over to 3 money managers at Wells Fargo, according to Jim Lukanich
  - It doesn't make sense for Jim to come and talk about investing and "going green" with renewable energy investments until the Board decides what needs to happen to the endowment fund. This fund can be liquidated in its entirety, or in portions. Ultimately, how do we want to spend down this money?
  - Keeping a \$500,000-\$700,000 amount could be beneficial to have as reserve funding. We will have to keep some in reserve.
  - Our auditing firm Boyum & Barencheer has determined that CTC has an approximate total of \$700,000 of excess reserve funds allocated for capital projects. This amount was not previously taxed. With the current audit in progress, it is necessary for the Board to create a plan for how the money will be allocated within an estimated 12-18-month period.
- c. During the September meeting, we will brainstorm the best use of funds in order to serve the community at large present and future.
  - d. Also, during the September meeting, we will review ideas and estimate allocation totals for a final approval to be submitted to the auditors for the final audit report.
  - e. Initial Ideas for Use of Reserve Funds for Capital Projects:
    - i. Raised Garden Beds
    - ii. Greenhouse/Atrium
    - iii. Roof Top Gardening On New Structure
    - iv. Guest House- "The Green Guest House" – Made of All-Recycled Materials & Featuring Solar Panels
    - v. Small-Scale Research Projects: Collaborate with University research projects- e.g. geothermal energy, waste water management (focused on soccer field area)
    - vi. Updated Study Center
    - vii. Multipurpose year-round field house/ sports court/ indoor playground
    - viii. Updated Fireplace Room Cabinets
    - ix. Donation to CCCC – (in support of cut funding)
    - x. Funding of alumni association/non-profit organization

- xi. Co-op marketing/rebranding
- f. Additional Thoughts From Board:
  - i. Scholarships
  - ii. Additional toilets on property.
  - iii. Renovating one bedroom buildings to have guest suites on upper level and a communal play area or other room purpose on lower level.
  - iv. Investing in laundry machines, leaving the BDS contract.
  - v. Using one Bedroom buildings as play spaces or extra class for CCCC.

There could be some benefits of solar panels on roofs, but not on the ground. If this does move forward, it should be performed in conjunction with the roof project.

It would be helpful to secure verbal authorization on determining funds to be allocated.

**WE need to give a list of allocations to the auditor.**

**Review and discuss investment proposal provided by Jim Lukanich- CTC Investment manager**

- This is not going to happen presently due to the earlier topic point.

**7:15 – 7:41 Informal discussion – Executive Committee- Updates/Suggested future agenda items- policies, future issues, events, community concerns**

**Tentative September Executive Committee-Board of Directors Meeting Date & Time:  
Tuesday September 12<sup>th</sup>, 6:00 pm**

**Tentative September Board of Directors Meeting Date & Time:  
Tuesday September 26<sup>th</sup>, 6:00 pm**

**7:41 Close Board Meeting**

**Enclosures:**

Safety Awareness Discussion Points with UMPD  
Delegation of Excess Capital Reserves  
Investment Plan Proposal Materials