

ICC Board of Directors Meeting—Wednesday, Aug 13th, 2008 8pm @ French House Co-op, 710 W. 21st

Start	End	Agenda Item	Presenter	Board Action
8:00	8:10	Member Time	ICC Members	Hear and Respond
8:10	8:15	Agenda Review	Barbara Varian	Discuss
8:15	8:15	Consent Agenda	Barbara Varian	<b>Vote</b>
8:15	8:20	July Board Minute Approval	Janie Pierce	Discuss, <b>Vote</b>
8:20	8:50	Cotera + Reed Proposal Intro	Matt Ely	Discuss
8:50	9:00	Break	Board	Enjoy!
9:00	9:40	Staff Salary Proposal (back of packet)	Billy Thogerson	Discuss, <b>Vote</b>
9:40	9:45	Staff Reports	Staff	Hear and Respond
9:45	9:50	Committee Reports	Coordinators	Hear and Respond
9:50	10:00	House Reports	House Reps	Hear and Respond
10:00	10:05	Action Item Review	Barb Varian	Hear and Respond
10:05	10:10	September Meeting Agenda	ALL	Discuss
10:10	10:15	Assign Action Items	Board	Assign
10:15	10:20	Meeting Evaluation	ALL	Discuss
10:20	10:20	Adjourn	All	Leave! :-)

ICC's Board of Directors (elected by the membership)

<b>House Representatives to the Board</b>	<ol style="list-style-type: none"> <li>1. Jake Gleghorn of House of Commons Co-op, <a href="mailto:houseofcommons-boardrep@iccaustin.coop">houseofcommons-boardrep@iccaustin.coop</a></li> <li>2. Annie Yang of Seneca Board Rep of Seneca Falls Co-op, <a href="mailto:sf-boardrep@iccaustin.coop">sf-boardrep@iccaustin.coop</a></li> <li>3. Neshitkin Byram of Avalon Co-op, <a href="mailto:av-boardrep@iccaustin.coop">av-boardrep@iccaustin.coop</a></li> <li>4. Helen Kuncicky of Royal Co-op, <a href="mailto:ro-boardrep@iccaustin.coop">ro-boardrep@iccaustin.coop</a></li> <li>5. Renee Schnoering of Helios Co-op, <a href="mailto:he-boardrep@iccaustin.coop">he-boardrep@iccaustin.coop</a></li> <li>6. Seth Nowlin of New Guild Co-op, <a href="mailto:ng-boardrep@iccaustin.coop">ng-boardrep@iccaustin.coop</a></li> <li>7. Courtney Martinez of Arrakis Co-op, <a href="mailto:ar-boardrep@iccaustin.coop">ar-boardrep@iccaustin.coop</a></li> <li>8. Corey Peterson of the Ernest M. Eden Co-op, <a href="mailto:ed-boardrep@iccaustin.coop">ed-boardrep@iccaustin.coop</a></li> <li>9. Vacant of French House Co-op, <a href="mailto:fr-boardrep@iccaustin.coop">fr-boardrep@iccaustin.coop</a></li> </ol>
<b>ICC-wide officers</b>	<ol style="list-style-type: none"> <li>10. Jessie Conover, Board Coordinator, <a href="mailto:boardcoord@iccaustin.coop">boardcoord@iccaustin.coop</a></li> <li>11. Barb Varian, Committee Coordinator, <a href="mailto:comcoord@iccaustin.coop">comcoord@iccaustin.coop</a></li> <li>12. Vacant, Education Coordinator, <a href="mailto:edcoord@iccaustin.coop">edcoord@iccaustin.coop</a></li> <li>13. Lee Blaney, Facilities Coordinator, <a href="mailto:faccoord@iccaustin.coop">faccoord@iccaustin.coop</a></li> <li>14. Helen Huncicky, Financial Coordinator, <a href="mailto:fincoord@iccaustin.coop">fincoord@iccaustin.coop</a></li> <li>15. Kim Lu, Membership Coordinator <a href="mailto:memcoord@iccaustin.coop">memcoord@iccaustin.coop</a></li> <li>16. Matt Ely, Future Asset Development Coordinator <a href="mailto:fadcoord@iccaustin.coop">fadcoord@iccaustin.coop</a></li> </ol>
<b>Community Trustees</b>	<ol style="list-style-type: none"> <li>17. Mike Jurkash, <a href="mailto:mike@skylightliving.com">mike@skylightliving.com</a></li> <li>18. Franke Smith, <a href="mailto:Frankelsmith@mail.utexas.edu">Frankelsmith@mail.utexas.edu</a></li> </ol>
<b>ICC Staff:</b>	
<p><b>Billy Thogersen:</b> Facilities Administrator <a href="mailto:billyt@iccaustin.coop">billyt@iccaustin.coop</a></p> <p><b>Jenn Northern:</b> Member Services Administrator <a href="mailto:jnorthern@iccaustin.coop">jnorthern@iccaustin.coop</a></p> <p><b>Brian Donovan:</b> General Administrator <a href="mailto:brian@iccaustin.coop">brian@iccaustin.coop</a></p> <p><b>Gail Tully:</b> Accounting Administrator <a href="mailto:gtully@iccaustin.coop">gtully@iccaustin.coop</a></p>	
<b>ICC Office Contact</b>	
<p><b>Office:</b> 2305 Nueces Street • Austin, Texas 78705</p> <p><b>Phone:</b> (512) 476-1957 <b>Fax:</b> (512) 476-3904</p>	<p><b>Hours:</b> M-Th 9-5, F 9-4</p> <p><b>Website:</b> <a href="http://www.iccaustin.coop">http://www.iccaustin.coop</a></p>

**JULY MEETING MINUTES**

Were not in by the packet deadline! They will be distributed online and in paper.

August 6, 2008

RE: Proposal from Cotera+Reed Architects for consulting services related to the Eden House Options Study (EHOS)

Executive Summary:

ICC budgeted \$5,000 for consulting services related to the EHOS in fiscal year 08/09. Cotera+Reed were approached with the project in June, and after several face-to-face meetings, phone calls, and emails, have produced draft proposal.

To fully explore all three options (renovation, renovation/addition, redevelopment), C+R estimates the cost at around \$20,000, including architectural and engineering services. Most likely one or two of the options would be eliminated as candidates as the EHOS progresses through the fall 2008, thus reducing the cost. The total cost assuming one option eliminated would end up being \$12,000-\$15,000. (Serious consideration of only one option reduces the estimated cost to \$7,000-\$10,000)

C+R understands that only \$5,000 is now available and are willing to work within that budget to help ICC study the feasibility of the three options for the purpose of allowing ICC to be able to decide how to move forward. Once ICC establishes a direction, C+R would then be able to create detailed plans, however, additional funding for that work would need to be approved by the Board.

Cotera+Reed provided architectural services for the College Houses “super co-op” and did work for ICC on the New Guild ADA ramp/bathroom projects. They did a significant amount of unbilled work for ICC.

July 18, 2008

Mr. Reed  
COTERA+REED ARCHITECTs  
1801 North Lamar Suite 200  
Austin, TX 78701

Re: Proposal Letter for MEP Engineering Services  
ICC COOP MEP Report

Dear Mr. Reed,

Energy Engineering Associates, Inc. (EEA) is pleased to respond to your request for a fee proposal for MEP Engineering Services for the referenced project.

**COMPANY BRIEF:**

EEA is a Texas Corporation founded in 1977. EEA offers mechanical, electrical, plumbing (MEP), commissioning and process engineering expertise for the design of new facilities, retrofit / remodel design of existing facilities, and energy conservation studies, for industrial, commercial and institutional clients. We are committed to long-term relationships with excellent clients, and have established a reputation for attention to the client's needs.

**PROJECT DESCRIPTION:**

The existing COOP building at 1910 Rio Grande shall be evaluated from an architectural and engineering perspective. A report will be generated to detail the feasibility and best approach to renovating the site. Three options are to be explored; renovation of existing building, addition to existing building, demolition of existing building and construction of a new COOP.

For Option 1, the design team will evaluate the existing building's condition, equipment functionality and life expectancy, and potential code compliance issues. Recommendations will be made as to what should be replaced or renovated and what changes are required to meet current code.

For Option 2, system upgrade strategies will be detailed for the building systems (HVAC, plumbing, and electrical). Any existing systems, such as the electrical service, that would be inadequate for the proposed expansion would be identified and recommendations given on how to expand or replace such systems.

Option 3 will be a basis of design document for a new building. EEA will provide our recommended approach to HVAC, plumbing and electrical system design for a new COOP based on the approximate size and construction proposed by C+R.

**ENGINEERING SCOPE OF WORK:**

**Design Phase:**

- General:
  - Participate with the Architect, Owner, and other design team members during report preparation.

- Attend one review and coordination meetings in Austin at 90% completion.
- Conduct a site visit to the existing facility for data gathering and verification of existing conditions.
- Upon completion of the design, deliver an electronic copy of our portion of the report in word format to the architect for incorporation into the final document.
- Mechanical:
  - Evaluate existing HVAC systems to determine the condition of the equipment, identify any equipment that needs to be replaced or overhauled, and determine the available capacity for new system additions as well as demolition work requirements.
  - Review the site for code violations, report any violations that are observed, and outline the required remedy.
  - Provide a written narrative of the HVAC system recommended for a new building at the site including the type, size, and approximate quantities of new equipment.
- Electrical:
  - Evaluate existing electrical systems to determine the condition of the equipment, identify any equipment that needs to be replaced, and determine the available capacity for new system additions.
  - Review the site for code violations, report any violations that are observed, and outline the required remedy.
  - Provide a written narrative of the electrical system recommended for a new building at the site including system size, voltage, and distribution throughout the space.
- Plumbing / Fire Protection
  - Evaluate existing plumbing systems to determine the condition of the fixtures and piping, identify any equipment, fixtures or piping that needs to be replaced, and determine the available capacity for new system additions as well as demolition work requirements.
  - Review the site for code violations, report any violations that are observed, and outline the required remedy.
  - Provide a written narrative of the plumbing design approach recommended for a new building at the site.

#### **ASSUMPTIONS AND EXCLUSIONS:**

- The scope is limited to the production of the report and will not require the production of any design documents.
- Structural engineering evaluation is excluded.
- Asbestos surveying and abatement is excluded.
  - EEA has no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the project site.
- Noise and vibration consultation are excluded.
- Estimates of probable construction cost are excluded.
- Publication of the final report is excluded

#### **PROJECT SCHEDULE:**

We propose the following schedule, commencing within two weeks of Authorization to Proceed and receipt of Owner's design guidelines. We are committed to working as a design team to accomplish this schedule.

- Field Investigation and Report Production                      3 weeks
-

- Review and Final Coordination Before Publication 1 week


Should the agreed-upon schedule for either the design or construction phases slip more than 60 days, our fee may be subject to additional services costs.

**PROPOSED FEE:**

We propose to perform the above scope of work on a lump sum fee basis in the amount of \$3,000, including reimbursable expenses. Engineering Services will be invoiced on a monthly basis as a percentage of project completion. Invoices shall be due and payable net 30 days. In the event the project is terminated or placed on Hold by you or the Owner, we will submit a final invoice based on our percentage of project completion.

This fee proposal is valid for 60 days from the date of this letter. We appreciate the opportunity to work with you and anticipate a successful project. If there is any further information we may provide, please contact me.

Sincerely,



Michael Lloyd  
 Project Manager  
 Ph: 512-744-4434  
 Email: [mikel@auseea.com](mailto:mikel@auseea.com)

cc:

Attachments

If you agree to the terms and conditions set forth above, please sign below. We will proceed with this project upon receipt of this signed acknowledgement.

***AGREED:***

***BY:*** \_\_\_\_\_  
*Signature* *Date*  
 \_\_\_\_\_  
*Name Typed or Printed*

If invoices are to be directed to someone other than you, please provide necessary billing information below:

\_\_\_\_\_  
*Name*  
 \_\_\_\_\_  
*Address*  
 \_\_\_\_\_  
*City, State, Zip*  
 \_\_\_\_\_  
*Billing reference number*

July 18, 2008

Brian Donovan  
General Administrator  
Inter-Cooperative Council  
2305 Nueces Street  
Austin, Texas 78705

D R A F T

Re: proposal for architectural services  
1910 Rio Grande - Eden House

Dear Brian,

Thank you for requesting a proposal for services for an architectural analysis of the ICC property at 1910 Rio Grande. We understand that you would like to explore three options for redeveloping the property and have outlined our understanding of the analysis below:

**step one**

In the first step, our office will investigate the viability of renovating the existing building. Work in this step would include:

- documenting the existing building by creating measured drawings in 2d CAD format,
- code analysis using 2003 IBC (building code for Austin)
- analysis of the building under UNO
- analysis of the building under Austin's Land Development Code
- proposal for alterations to the existing building to bring it into code compliance and increase the livability and ease of maintenance of the facility.

We will create a short report which will include plans of a proposed layout.

**step two**

In the second step, our office would build on the work performed in step one and investigate alternatives for increasing the number of beds.

We will create a short report which will include plans of a proposed layout.

**step three**

In the third step, our office would investigate options for constructing a new facility on the property. Here we would look at the implications of opting into UNO or working with the existing zoning. We would develop a very schematic approach to each of the directions, and would then develop one of the approaches in greater detail.

We will create a short report with plans and elevations of the proposed new building.

In each step we would research the possibility of off-site parking and the impact that would have on the design. I have already asked Simmons Vedder to look into the possibility of leasing ICC parking spaces in the Quarters Garage.

In steps two and three, a basic 3d computer model will be created to illustrate the improvements and facilitate the discussion.

We recognize that several meetings will be held in a small format to go over the plans, and several larger board meetings will require our participation.

### **engineering**

In addition to the architectural work described here, I have included a separate proposal from Energy Engineering Associated for the three steps. In step one they would analyze the existing mechanical, electrical and plumbing services and make a recommendation for reuse or replacement. In step two they would describe the work required to add area to the existing building. And in step three they would provide a written system description for the systems in a new building.

Our office, in our base proposal, would coordinate with EEA's efforts and assist in developing a system description in step three.

We have not included structural engineering in the proposal. If structural information is needed for pricing in step two or three, we will provide a proposal at that time.

### **construction costs**

Actual construction costs in central Texas have become very difficult to predict recently due to fluctuations in the world market for raw materials and increases in the costs of fuel. Architects, typically a fairly inconsistent predictor of construction costs, have become less so in this climate. All the projects in our office now rely on third party pricing through a builder, a cost estimator or a project manager, and I would suggest the same for this one.

In fact, we might want to price step three differently than steps one and two. In the first two, I think a residential contractor would be a good source of cost information. In step three we might want to approach a commercial cost estimator. We have several that we have worked with in the past and could recommend.

### **fees**

I have included an hourly projection of the potential architectural work represented by this proposal, broken into phases and divided by the different levels of personnel in the office. As you can see the amounts are larger numbers than ICC had anticipated, and the costs for the actual pricing of the three steps and the engineering is not reflected there. We would propose that we charge only \$5,000 for the architectural portion of the three steps, and defer the remainder of the feasibility costs until one of the directions is chosen and becomes a project. At that point we would include the difference in the fees for basic architectural services for the improvements.

Sincerely,

Phillip Reed, Principal  
COTERA+REED ARCHITECTS



<b>Summer 08</b>						
<b>M</b>	<b>F</b>	<b>Rooms 188</b>	<b>Max Days</b>	<b>Occ Days</b>		<b>Budgeted Occ.</b>
7	10	<b>Arrakis</b>	1640	1467	89.45%	90.00%
8	4	<b>Avalon</b>	1804	966	53.55%	77.00%
5	6	<b>Eden</b>	1230	786	63.90%	80.00%
9	8	<b>Seneca</b>	1558	1291	82.86%	68.00%
10	6	<b>French</b>	1640	1205	73.48%	90.00%
7	9	<b>Helios</b>	1394	1061	76.11%	76.00%
0	0	<b>Royal</b>	1394	0	0.00%	0.00%
18	10	<b>New Guil</b>	2542	2189	86.11%	74.00%
14	11	<b>HOC</b>	2214	2132	96.30%	78.00%
78	64		15416	11097	71.98%	71.80%
41.49%	34.04%					

<b>AY Occupancy</b>						
<b>M</b>	<b>F</b>	<b>Rooms 188</b>	<b>Max Days</b>	<b>Occ Days</b>		<b>Budgeted Occ.</b>
0	0	<b>Arrakis</b>	0	0	#DIV/0!	100.00%
0	0	<b>Avalon</b>	0	0	#DIV/0!	90.91%
0	0	<b>Eden</b>	0	0	#DIV/0!	93.33%
0	0	<b>Seneca</b>	0	0	#DIV/0!	100.00%
0	0	<b>French</b>	0	0	#DIV/0!	100.00%
0	0	<b>Helios</b>	0	0	#DIV/0!	94.12%
0	0	<b>Royal</b>	0	0	#DIV/0!	100.00%
0	0	<b>New Guil</b>	0	0	#DIV/0!	93.55%
0	0	<b>HOC</b>	0	0	#DIV/0!	92.59%
0	0		0	0	#DIV/0!	95.70%
0.00%	0.00%					

Facilities Administrator Board Report  
for the  
August 13<sup>th</sup>, 2008 ICC Board Meeting

Due to my hectic schedule, I don't have much time to elaborate on the current events. The one major facilities expense since the last Board meeting is a major a/c repair at Arrakis. I'll have more information on the total cost by Board meeting. Basically, a potential air quality problem and general poor cooling performance related to the 3<sup>rd</sup> floor a/c system, caused by an insufficient air intake area, was corrected. The entire hvac unit was removed and ducts were cleaned. A 2<sup>nd</sup> return air grille was added when the system was reinstalled.

Budget Summary for Major 2008 Projects:

August 6, 2008

	Total Budget	YTD Actual	Projected Actual	Projected Over/(Under)	Status/Notes
AR - termite treatment	1200	1132	1132	(68.00)	Project complete 5/28/08
AV – fire alarm system	11000	16699.09	16699.09	5699.09	Project complete 6/30/08
ED – fire alarm system	14000	11999.21	11999.21	(2000.79)	Project complete 6/24/08
HE - breaker box replacement	1500	945	945	(555.00)	Project complete 5/19/08
HE - termite treatment	1100	956	956	(144.00)	Project complete 5/19/08
HC - sundeck roof/railing replacement	15000	17000	17000	2,000.00	Project complete 6/2/08
HC – rm 1 laminate flooring	1000	581.98	1163.96	163.96	scheduled for August 19-20
HC - termite treatment	1400	1276	1276	(124.00)	Project complete 5/27/08
NG - ADA access/bathroom	30000	27255.57	30000	-	from expansion fund
RO – fire alarm system	18000	9300.49	18000	-	
RO - gutter installation	3000	2950	2950	(50.00)	Project complete 5/29/08
RO - plumbing/bathroom rehab	75000	44740.35	75000	-	from renovation fund
RO - attic flooring/repairs	1500	0	1500	-	Project complete 7/31/08
RO - spruce-up	6700	7492.48	7492.48	792.48	Project complete 7/31/08
RO - garage laminate flooring	1500	0	1500	-	project postponed
CONTINGENCY	9000	0	9000	-	
	190900			5713.74	3% above budget

Unfinished 2008 Summer Facilities Project Status - 8/6/2008

House of Commons Room 1 Laminate Flooring – (budget \$1,000)

**Current Summary:** Project to be done August 19-21 before new member moves in on August 22<sup>nd</sup>. Perfect Floors to do installation.

New Guild ADA Access and Accessible Bathroom – (budget \$30,000)

Project has been divided into two permitted jobs, the wheelchair ramp and the bathroom remodel.

Wheelchair Ramp

**Current Summary:** Door operator installed. Concrete poured. Waiting for welder to complete handrails and final inspection. Expected completion date August 15th. Possible concrete refinishing for porch to be evaluated after ramp is complete. Final inspection from city may stretch into late August due to fire department inspection backlog, but this will not affect ICC operations.

Bathroom Remodel:

**Current Status:** 95% complete and fully functional. Installation of grab bars, mirror, towel bars, toilet paper holder to be done over the next week. Anticipated completion date of August 15<sup>th</sup>.

Final inspection from city may stretch into late August due to fire department inspection backlog, but this will not affect ICC operations.

Royal Fire Alarm System – (budget \$18,000)

**Current Status:** System installation done. Testing phase expected completion date of August 7<sup>th</sup>, with a final fire inspection by August 15<sup>th</sup>.

Royal Garage Room Laminate Flooring/Rehab - (budget \$1,500)

**Current Status:** **WORK POSTPONED** until current members move out. Project to be “rolled over” to next fiscal year if necessary, per ICC policy.

Royal Plumbing Repairs – (budget up to \$75,000) – pre-permit status moved to end

**Current Summary:** Most plumbing and related repairs and required inspections have been completed. Gas line repairs to be completed by August 8<sup>th</sup>, and new water heater to be installed August 12<sup>th</sup>. Expected completion date of August 15<sup>th</sup>. Final inspection may be delayed due to final fire inspection backlog at city, but this will not affect move-in.

\*\* updated, detailed summer 2008 major facilities project status and daily history for all projects can be seen at [www.iccaustin.coop/2008SummerFacilitiesProjectStatus.htm](http://www.iccaustin.coop/2008SummerFacilitiesProjectStatus.htm)

COMMITTEE REPORTS

No committee has met yet this month. The ECC will be working on the board retreat. FADcom will be discussing the Cotera proposal.

ACTION ITEM REVIEW

Barb- Make Confrontation Management Handbook Committee-  
Corey and Barb got books. Barb's going through them.

Barb- Facilitator's manual

Ditto.

FadCom- Cotera Reed (EDEN)

Barb and ECC,

I am still in Ireland, but will be back Thursday late. I am taking Friday off work, but will be in Austin. I have a fair amount of work to do for Liveable City and Austin Carshare on Friday and over the weekend. Feel free to call me if you would like to discuss any of the info below though as ICC is job 1 for me. I have discussed some of these items in detail with Helen already when she was getting oriented as fincoord. I suggest at least 30 mins to discuss the info below at the board meeting. Sorry I did not write up a GA Report. Feel free to forward this to the board or include in the packet. The budget info I refer to is off the top of my head so may be inexact. The numbers should be pretty close though as I am fairly intimate with ICC's budget.

Brian  
825-8571c

PS If you want to have some background music for reading this note, Money is a frequent topic of popular songs. For a rock star take check out:

Liza Minelli and Joel Grey from 'Cabaret' [www.youtube.com/watch?v=rkRIbUT6u7Q](http://www.youtube.com/watch?v=rkRIbUT6u7Q)

ABBA's Money Money Money [www.youtube.com/watch?v=VAgP2-ST1w](http://www.youtube.com/watch?v=VAgP2-ST1w)

The Beatles' Money [www.youtube.com/watch?v=E3m-gOelA8g](http://www.youtube.com/watch?v=E3m-gOelA8g)

Roger Waters' Money <http://www.youtube.com/watch?v=sexkWwFtgko>

I am fond of all of these tunes but especially the song from Cabaret and the Beatles' classic.

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I know of a few ways that we can pay for increased salary expenses.

First we may be able to save quite a bit by changing our medical and dental benefits for employees. There is a new group insurance package being developed for small businesses by the Indigent Care Collaborative. [www.icc-centex.org](http://www.icc-centex.org)

I mentioned this to the last board. I am not sure how much we can save, but maybe as much as \$300-\$1500 a month. Most businesses only pay for part of medical benefits. If ICC required employees to pay a portion of the premiums we may be able to save the bigger number. We could also increase the deductible or go with less coverage to get to the bigger savings number.

Hopefully we have more solid info on what the ICC-centex plan will cost us by the time we are budgeting for 09-10 later this fall. Except for savings on our current benefit levels from joining the ICC-centex plan, these changes would hurt the overall compensation for employees. So in the short term I would suggest everyone gets a raise by the amount of lost benefits to cover that loss.

As ICC hires new employees who never had the higher level of benefits we would realize greater savings.

If we squeeze employees it would be a change to a more capitalist way of doing business and quite unco-op like.

Second, AS LONG AS WE CAN AVOID ANY CLAIMS on our property and liability insurance we can budget more aggressively for those costs. I think we budgeted \$50k for this year, but our cost will only be \$36k or so. Rates will probably rise next year because of the economic situation in the US and Europe. Even so we could probably budget \$10k less and be safe. The policies renew at the start of March. We were paying \$60k a year for the five years following the Arrakis fire so we held the line at \$50k last year in the budget just in case we have a fire or lawsuit and our rates jumped a lot in March 2009. We pay for the entire 12 month policy in March each year but take the expense on a monthly basis on our books. I like this option as long as we can avoid fire, injury, or death.

Third, Austin Co-op Fest could really rock fundraising-wise. If we generate \$10-18k net that would be tremendous. We will know the result of ACF efforts by the end of October so should have more solid info on which to base our budget for 09-10 by this fall. This is my favored option, but cannot be counted on when making a decision next week.

Fourth, we could refinance our loans with BofA. Our combined balance for our big loan and the loan for buying back HoC as of the end of July is around \$1.4M. We are scheduled to have the loans paid off in 2019. By refinancing for 15 years and paying off the loans in 2023 we could reduce our monthly payments by about \$1200 a month. It would cost us \$15-20k in closing costs, so would not help much in year one. I do not like this option much as I think it is best for ICC to pay our loans off asap. If we end up borrowing money to expand in the next few years, I would support refinancing our current debt at the same time. In that case we would be adding new debt and extending the payoff date for the new debt anyway. The refinancing would give us increased debt coverage without raising rates AND since we would be paying closing costs on the new loan, we would likely see some savings on closing costs for the refi by rolling them in with the new debt costs.

Finally, ICC could budget more aggressively, that is we could budget for less vacancy. We assume about \$120k worth of vacancies (10% (mostly in summer)) each year. This would be risky, but better than squeezing employees. While we have been able to do better than our budgeted vacancy rate the last three years, the overall market is trending toward increased vacancy for the next couple of years. There will be 20,000 to 30,000 new apartment units available city-wide in the next couple of years and 1300 in west campus opening in August. With the number of new jobs being created slowing down or even decreasing I am leery of counting on more than 1 or 2% less vacancy for next year. West campus property managers are going to get more savvy pretty quickly. Frankly they have made some rookie mistakes when it comes to student housing this year. If we reduced budgeted vacancy (and achieved it without increasing our marketing budget) we would achieve \$12,000 for each percent.

Our surplus for 07-08 is primarily based on doing better than our budgeted vacancy rate and savings on insurance costs.

**Proposal Name:** Facilities Administrator Salary Consideration

**Prepared by:** Billy Thogersen, ICC Facilities Administrator, for the August 13th, 2008 ICC Board meeting

**Proposed Sponsor:** Nesh Byram, Avalon

**Date of Creation:** August 5th, 2008

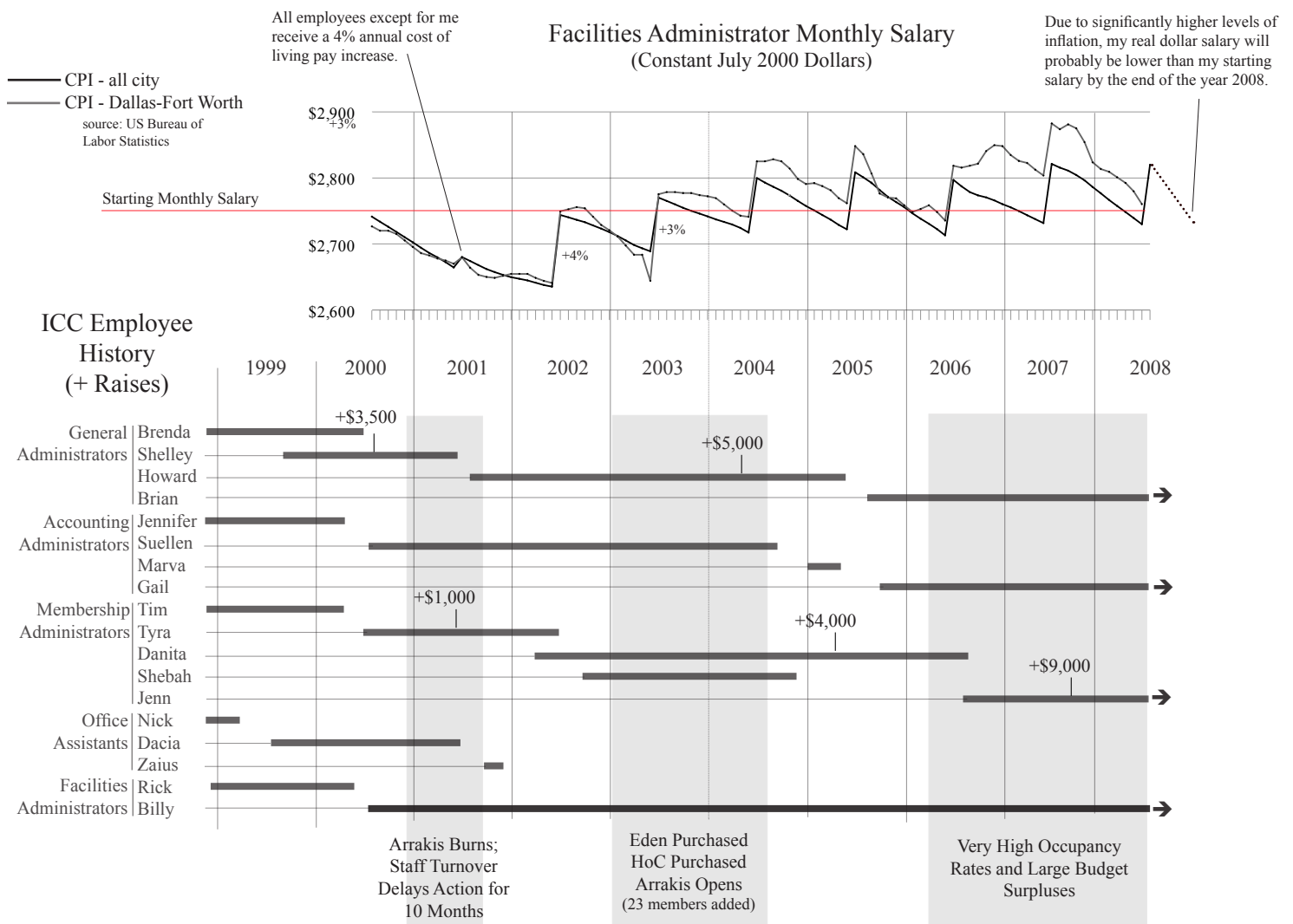
**Proposal:**

In consideration of the long term dedication, consistent exemplary performance, and in keeping with the spirit of the existing ICC policies, to increase the annual salary of the current Facilities Administrator, Billy Thogersen, by \$6,000 effective September 1st, 2008.

**Background:**

In June 19th, 2000, I began my employment at ICC. Over the years, annual inflationary adjustments have kept my salary stable, but I have never received a raise. I now ask, in a different form from my previous request, for an increase. In particular, please consider the additional value I now bring to the organization.

With 20 years of experience with ICC I bring a uniquely useful perspective to daily operations, both in performing the facilities administrator duties per se and working with other staff and members to help with the other functions of the organization. There are qualitative differences among employees who've been with ICC for a year, a few years, or many years. Employees who experience the ups and downs of the real estate business cycle and see the big organizational changes over time can better help ICC react and adapt in an efficient way. Given that ICC places much of its institutional memory in staff, employees become increasingly valuable over time. Currently, with the exception of me, no staff has ever seen ICC struggle for occupancy or deal with budget deficits, massive staff turnover, or a major emergency. I have the highest confidence in my co-workers to be able to handle such matters, but I think ICC has an added bonus in dealing with adversity with me on the team.



Excluding cost-of-living (COLA) increases, many ICC employees have received raises (see illustration). I have not. As an employee develops over time, it's customary to reward that employee with raises above and beyond mere cost-of-living increases. In fact, the ICC standing rule 9.25 from July 2001 outlines one way this should take place. My development takes the form of a vastly increased acumen for handling the core duties of the facilities administrator; the competence to help gracefully get ICC out of dicey situations; the ability to create and/or capitalize on opportunities; to plan for the future; and a dramatically expanded set of skills that benefit ICC daily.

**Market rates:**

It doesn't make sense for ICC to pay employees any higher than the prevailing wage for any position. (Although I'm in favor of such consideration as paying staff at least a so-called "living wage", this has no basis in existing ICC policy, having never been discussed by the Board.) I ask that the Board consider the comparable position at College Houses. Charlie currently makes at least \$59,000 annually. My requested increase puts my salary at about \$47,000, which is I think, very comfortably below market rate.

**Performance evaluations:**

I've met or exceeded job performance expectations every year under three different General Administrators. I'm generally not satisfied with "meeting expectations" and always strive to do better.

**Major accomplishments:**

My accomplishments over the years demonstrate the ability to apply an increasingly broad range of skills to different problems. Note that many of these accomplishments lie well outside the realm of facilities administration. What I'd like to emphasize is my ready every day potential to aid ICC in the resolution of periodic organizational crises, seizing of sudden opportunities, and strategic planning for the future.

*December 2000 - February 2001 – Arrakis fire disaster recovery*

Securing building in aftermath, working with insurance adjusters, advising Board on options, working with other staff to stabilize daily operations.

*May - June 2001 – General Administrator hiring committee*

Appointed by Board. Active participant in recruiting, interviewing, and recommending new General Administrator, Howard, for hire.

*May - July 2001 – Interim management team (Billy, Tyra, and Suellen)*

Worked as member of a "cooperative management team" to collectively carry out all General Administrator responsibilities between the departure of Shelley and hire of Howard.

*September 25, 2001 – Board decides to rebuild Arrakis*

Worked with staff, members, architects, and engineers to develop plan for reconstruction. Produced or assisted with the development of construction estimates and alternative scenarios, including the potential purchase of 2503 Nueces. Board noted that I did not have any experience with a project of this magnitude, but had faith in my abilities.

*Summer 2002 – New Guild shutdown/spruce-up*

In response to very low occupancy over many years, I worked with Tyra to come up with a "spruce-up" plan to turn the house around during the summer. Per Board decision, house is closed, cleaned and repaired, and successfully reopened.

*Nov 2002 - June 2004 – Nasco Properties Board representative for ICC (HoC)*

Served on Nasco Properties Board as representative for ICC, leading to House of Commons repurchase in June 2004. ICC gained complete control over the 27-member house and access to \$750,000 in equity. A new Austin cooperative, Sasona, formed, and made Nasco Properties a healthier organization.

*March - August 2003 – Eden purchased/kitchen rehabilitated*

With other staff, served as advisor to Board regarding purchase. Worked with staff to develop plan for making project work financially. Lobbied extensively, against vocal opposition, for ICC to expand. ICC adds 15 members. Used expertise acquired through Arrakis project to rapidly execute a full kitchen remodel in about three months, allowing for an on-time fall move-in.

*Summer 2003 – Helios spruce-up*

Planned and executed house shutdown and about \$70,000 worth of capital improvements while continuing to manage the Eden and Arrakis projects as well as regular house maintenance.

*January 2004 - Arrakis opens*

Ongoing primary staff resource and project manager from December 2000 – December 2003. ICC honors me with a “Recognition of Special Merit” for my work on the Arrakis rebuild. Only two ICC staff members have received special commendation in ICC’s 38 year corporate history. The new Arrakis replaces the 12 lost beds and adds 8 more.

*December 2004 – Avalon shutdown, rehab, and restart*

After no action was taken by other staff despite months of 30% fall occupancy, reports of disturbing escapades, including someone setting his bed on fire twice in one night, I drafted an emergency turnaround plan, including all aspects of how membership, finances, and facilities would be handled. The General Administrator presented, and the Board passed, the plan. I negotiated with the building owners to pay for about 2/3rds of the \$25,000 worth of facilities work and coordinated an expedited repair schedule, allowing the house to reopen in January 2005. Avalon opened successfully and has maintained good occupancy since then.

*June - September 2005 – Interim management team (Billy & Danita)*

After no action was taken by exiting General Administrator, Board or ECC, I drafted a plan for how ICC would operate with a co-management team of two staff. Board adopted plan and Danita and I worked together to carry out the General Administrator job functions. These duties were in addition to the regular facilities administrator job, which included several summer capital improvement projects.

*May - August 2008 – Major capital improvements*

Successfully managed the largest series of capital improvements (by a factor of two) projects in the past 10 years, with major work at 5 houses, over 3 months, without the benefit of additional staff support, while continuing to play a major office staff backup role.

**Enhanced Skill Set:**

The past eight years at ICC provided a great environment for developing existing and acquiring new skills. As opposed to when I started employment, the following abilities I now bring to work on a daily basis.

Advanced knowledge of the city development process, building, and fire codes  
Corporate accounting knowledge and consulting ability  
Residential and commercial real estate financing and development  
Meeting facilitation, with an emphasis on consensus decision-making  
Disaster recovery and emergency management experience  
Experience performing the duties of all ICC employees  
General contracting (subcontractor management)  
Data analysis and graphical presentation  
Computer network administration, web development, and desktop support  
AutoCAD, ArcGIS, and Adobe InDesign  
Senior staff management experience  
Long-term working relationships with city employees and contractors  
Strong knowledge of and practical hands-on skills in electrical, plumbing, mechanical, commercial restaurant equipment systems, building maintenance, remodeling, reconstruction, and design  
Long-range strategic facilities planning

**Reference to current policies:**

9.2 Compensation, 9.11 Staff Rights and Protections, and 9.25 Staff Salary Policy

**Pros:**

Provides a substantial, yet conservative, economic benefit to a long-term employee with an exceptional record of performance. Provides added incentive for newer and seasoned staff alike to stay on board as ICC moves forward with expansion and other development plans. Does not adversely affect the financial ability of ICC to carry out any of its core operations.

**Objections, Concerns & Responses:**

I appreciate everyone's time, input, and general supportiveness at the July Board meeting. I tried to listen carefully so I could think about, and hopefully address, the concerns that were raised. If I left something out, and you're reading this before the August Board meeting, please email or call me with your concern. I'd like for the Board to be able to reach a consensus about this proposal, perhaps even before the meeting.

*Use money for expansion first, pay staff more later:*

This line of reasoning is mostly a red herring. ICC needs to and has decided to expand. As I indicated in my previous proposal, increasing staff salaries will not make or break any ICC expansion project. The current proposal only increases the facilities administrator annual salary by \$6,000. When thinking about expansion or major renovation, ICC will be dealing with budgets on the order of \$250,000-\$2,000,000.

I am the sole staff member with experience in actually expanding ICC. In 2003 and 2004, I played a major and/or pivotal role in the Eden and Arrakis projects, and the House of Commons purchase. The result was the largest increase in permanent members in thirty years, 23 members, solidification of control over the previously leased House of Commons (27 members), as well as access to about three quarters of a million dollars of House of Commons equity. The current "big" expansion goal for ICC is to add 15 beds in 6 years. I feel confident that ICC can do significantly better than that, especially if I'm around to help. Cash in the bank isn't the only value relevant to the development process. This salary increase can be viewed as an investment in ICC expansion.

*The cost is too high and will cause rent to go up:*

Implementing this proposal may increase rent rates. Not passing the proposal may also increase rent rates. Despite the numbers and implications that have been presented elsewhere about the consequences of raising salaries, there is no one-to-one, dollar-per-month-per-member correlation between increasing staff salaries and rent rates. True, all things being equal, rent would have to be raised accordingly. However the annual budget is a mushy mash of contracting and expanding costs, competing interests, and, hopefully, cooperation and compromise. For example, a hypothetical \$7,000 increase in staff costs might realistically be offset by a \$12,000 decrease in insurance costs, yielding a substantial bottom-line cost decrease. In general ICC crafts a very conservative budget, and recently there have been large budget surplus at the end of each year. Unforeseen savings are the rule, not the exception. Also consider the cost of NOT keeping salaries fair and competitive, namely, staff turnover, inefficiency, inability to capitalize on opportunities, and the very real possibility of paying the new, unseasoned staff even more than the previous high-performing, experienced employee. (Note that Danita Lee, the previous Membership Administrator from 2001-2006 was only getting paid \$30,000 when she left. Jenn, by contrast now makes \$34,000 after only 2 years of employment). The real bottom line is that \$7,000 is only 1/2% of an ICC budget that typically deviates +/- 5%.

*Process:*

ICC standing rules contain Staff Salary Policy 9.25 that dates from May 2001 and has been loosely followed or outright ignored since adoption. The policy outlines a quasi-automatic system for increasing staff wages to account for both inflation and experience gained over time. While a few other staff members have received additional raises above the cost-of-living increase through this process, I have not. I asked for a review of staff salaries nearly a year ago after Jenn's pay increase, but no discussion took place at any level.

While policy prescribes a routine strategy for staff salary increases, there is nothing that precludes the Board from making a decision that is in the best interest of the organization. A legitimate parallel process does exist, namely, the case-by-case consideration of proposals by the Board. There is ample precedent for using this process for all kinds of decision-making, including setting staff salaries.

My formal request for a salary increase has been discussed since the middle of July, and has included informal meetings with Board and ECC members and staff. There was also a lengthy discussion at the July 30th Board meeting. Much thought and careful consideration has taken place. I believe that making a decision at the August 13th Board meeting would not constitute a hasty, ill-conceived decision-making process.

**Source of funding and detailed explanation of total costs:**

A \$6000 salary increase brings some additional costs to ICC that need to be looked at to fully understand the financial impact.

\$6,000 – proposed annual base pay increase  
\$ 459 – additional ICC-paid social security and medicare  
\$ 300 – additional ICC-paid retirement  
\$ 35 – additional ICC-paid workers compensation insurance premium  
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\$6,794 – total annual cost to ICC (approximately \$3/member/month)

Because the proposed increase would begin September 1st, the actual fiscal impact for FY 08/09 would be (\$6,794\*.75) = \$5,095.50.

A number of sources exist for funding. I suggest allocating a small part of the estimated \$50,000-60,000 prior years (FY 07/08) surplus to cover the expense for the current fiscal year, FY 08/09. Because of high occupancy, ICC is on track for another very large surplus for the next year, so funding from the anticipated FY 08/09 surplus could be allocated now to cover the additional salary in order to prevent it from affecting rent rates through FY 09/10. Additionally, the current fiscal year budget has \$2,000 for “staff turnover” that will hopefully not be used, and predicts a 46% (\$11,000) increase in health insurance premiums that could be significantly lower. There is also the possibility of reduced property and liability insurance due to all houses now having hardwired, monitored fire alarm systems.

**Responsible party:**

Staff